

Aziz, Benazir At Centre Of Political Storm

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Business Outlook

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The Paradox Of Cattle Market

Tax Amnesty Back On Table!

Maldives Bans Hiring Workers From Bangladesh



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Business Outlook

From the Editor

Regulate Eid cattle market efficiently

People, particularly Dhaka city residents, have been experiencing the same scene every year for the last few years regarding cattle trading ahead of Eid-ul-Azha -- there is a crisis in the market. But after Eid, it was reported that many cattle remained unsold and a good number of cattle traders incurred huge financial losses. It was reported ahead of Eid that the country had sufficient cattle to meet the demand. However, an artificial crisis was created in the market and the people had to buy the sacrificial animals at higher rates than what should be. It is also reported this year that the country has enough sacrificial animals. According to Fisheries and Livestock Minister Abdur Rahman, there are 22,77,973 more cattle in the country than the demand. "In the past, we had to import cattle from other countries during Eid-ul-Azha. But we can now meet our demand with local cattle," he said. The minister said necessary instructions will be issued in the bordering districts to check the illegal entry of cattle from other countries. Dhaka will host 22 cattle markets, including both temporary and permanent ones. Digital cattle markets continue to gain in popularity, providing a safer and more convenient option for customers, which Dhaka North City Corporation has been promoting for several years. While the supply is ample, the higher prices may affect consumer purchasing power. The increased costs could lead to fewer sales. The Department of Livestock Services (DLS) calculates that the country's overall number of livestock is 4,122.44 lakh (Cattle 248.56 lakh, Buffalo 15.16 lakh, Sheep 38.27 lakh, Goat 269.46 lakh, Chicken 3,196.89 lakh, Duck 660.16 lakh). The DLS also calculates that the production of meat in the country was 87.10 lakh tonnes in FY23 against the demand of 76.08 lakh tonnes. So, there was a surplus of 11 lakh tonnes of meat. Still, the overall daily meat consumption crossed 100 grams in line with the DLS calculation. Providing the fact that the cattle contributed mostly to the meat basket, the DLS version of meat consumption sharply differs with the BBS consumption rate although there is a time gap of 7 years. Even the data of meat production calculated at 71.54 lakh tonnes by the DLS in 2016-17, only 5 lakh tonnes less than the overall production in FY23 cannot dispel the doubts over the data.

It's clear that there is no shortage of livestock in the country. However, the market mismanagement and illegal extortion in the transportation of animals mainly cause the artificial crisis in the market during Eid-ul-Azha. So, the authorities concerned must ensure that there is no mismanagement or disruption in the transportation, which gives traders the advantage of manipulating the market. ■



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Prime Minister Inaugurates Construction Of New Bangabazar Market

Prime minister Sheikh Hasina on May 25 inaugurated construction of the 10-storey Bangabazar Nagar Wholesale Market. The new market comes after a devastating fire on April 4, 2023, which destroyed over 2,931 shops in Dhaka's Bangabazar Shopping Complex, severely impacting the livelihoods of thousands of traders just weeks before Eid. The planned 10-storey building will occupy 106.28 katha of land and feature four blocks, five general stairways, six emergency stairways, and 3,213 shops ranging from 80 to 110 square feet each. Each floor will also include a 250 sqft food court and separate toilet blocks. The market will be equipped with eight lifts—four for passengers and four for goods. The roads around the market will be 7-10 feet wide to ensure easy access. Additionally, the building will feature an advanced firefighting system and underground parking for 169 cars and 109 motorcycles. A total of



2,961 shops will be allocated to the shop owners affected by the fire in Bangabazar, Gulistan, Mahanagar, and Adarsha Hawkers Market. An additional 244 shops will be distributed through application process. Dhaka South City Corporation has stated that the market construction will be completed by December 2026. ■

Gold Price Jumps To Record High

Gold price has skyrocketed by Tk1,085 to the highest-ever Tk119,544 per bhoari as jewellers inflated the price of the precious metal in the Bangladeshi market amid a price hike for pure gold. The standing committee on pricing and price monitoring of the Bangladesh Jeweller's Association (BAJUS) took the decision at a meeting on May 19. The price of 22-carat gold is now Tk10,249 per gram while it is Tk 9,783 for 21-carat, reads a press release signed by the committee Chairman Masudur Rahman. The price of 18-carat gold has been fixed at Tk8,385 a gram while that of traditional gold at Tk6,933 a gram. The new rate will come into effect from Monday, the release added. The price of 22-carat silver is Tk180 per gram while 21-carat Tk172 and the price of 18-carat silver is Tk147 per gram and Tk110 for traditional ones. ■



Brent Oil Prices Rise After Iran's President Dies



Brent crude futures extended gains on May 20, inching up amid political uncertainty in major producing countries after Iran's president died in a helicopter crash and the Saudi crown prince cancelled a Japan trip, citing health issues with the king. Brent gained 10 cents, or 0.1%, to \$84.08 a barrel by 0454 GMT, after rising to \$84.30 earlier, its highest since 10 May, reports Reuters. US West Texas Intermediate (WTI) crude for June edged down 5 cents to \$80.01 a barrel, after hitting \$80.23 earlier, the highest since May 1. The June contract expires on May 21 and the more-active July contract was at \$83.75, up 12 cents, or 0.1%. Iranian President Ebrahim Raisi and his foreign minister were killed in a helicopter crash in mountainous terrain and icy weather, an Iranian official said on May 20, after search teams located the wreckage in East Azerbaijan province. ■

BD Tax Collection Cost Lower Than Major Economies'

The Bangladesh government has to spend much lower for collecting tax from its people compared with the sum spent in some of the world's biggest economies including Japan, Germany and India, CPD has claimed in a report. The finding by Central for Policy Dialogue (CPD) highlights how policymakers in the country can reap greater benefits than their counterparts in richer countries can by expanding tax net and collection. CPD claims that for collecting Tk100 in taxes the Bangladesh government has to spend about 0.22% of the sum. For comparison, India spends 0.60%, Japan spends 1.70% and Germany spends 1.50%. Southeast Asian countries with similar level of GDP but much higher per capital income also have to pay more for collecting taxes worth Tk100 when compared with the tax collection cost in Bangladesh. The full digitalisation of Bangladesh tax collection system would further ease the process for policymakers and also help check evasions. ■



Mongla Port Logs Robust Growth In Activities



In the first ten months of the current fiscal year, which started in July 2023, the Mongla seaport logged growth from the same period the previous year in almost all aspects including ship arrival, container handling and revenue earnings. In the July 2023–April 2024 period, 726 vessels docked at the port, up by 18 from the same previous period. In April 2024, eight container ships arrived at the Mongla port, a monthly record for the port. Container handling surged by over 20% over the same period, with the first ten months of the ongoing fiscal year 2024 seeing 2,189 containers handled, where each container measures twenty-foot equivalent unit (TEU). In keeping with the growth in container handling activities, cargo handling also rose 1.7 lakh metric-tonnes to 6.37 lakh metric tonnes during July 2023–April 2024. The port's revenue earnings also surged by nearly 20% till April of fiscal year 2024 from the same period of the previous year, reaching Tk24.14 crore. ■

JICA, Power Division Host Workshop On Improving Power Quality

With a vision to improve nationwide power grid frequency, the Japan International Cooperation Agency and the Power Division jointly organised a workshop at the Power Division in Dhaka on Monday, said a press release. Senior secretary, Power Division, Ministry of Power, Energy and Mineral Resources, Habibur Rahman; chairman, Bangladesh Power Development Board, Mahbubur Rahman and chief representative of JICA Bangladesh office, Ichiguchi Tomohide; attended the workshop along with relevant officials from the government and development partners. During the workshop, Ichiguchi Tomohide, said, 'Reliable and quality power is vital to attracting foreign and domestic investors to expand their businesses in Bangladesh. Hence, power stability is crucial for rapid industrialisation and sustaining a high economic growth for the country.' Following the grid



failure and countrywide blackout incident on October 4, 2022, JICA conducted a study to prevent blackouts and improve grid stability. In the report, the JICA study team shared their findings and recommended several short-term, mid-term and long-term counter-measures to improve power quality. ■



Ex-Army Chief Aziz Ahmed

Aziz, Benazir At Centre Of Political Storm

SMS Hasan

Two incidents are now doing rounds in the political circle -- US sanctions against former Army chief General (retd) Aziz Ahmed and a court order for confiscating all the wealth of former IGP Benazir Ahmed and his family members. These two Ahmeds were very powerful while in office during the Awami League's rule and they had played influential roles. There is a major allegation from the opposition parties that both supported and executed unquestionably all kinds of orders and decisions, even those that were not under their jurisdictions.

One was sanctioned by the US while another was brought under trial by a local court and the ruling Awami League was not willing to take responsibility for any of their deeds. It's not clear why the ruling party has exhibited such an attitude.

Both Foreign Minister Hasan Mahmud and Road Transport and Bridges Minister Obaidul Quader said the wrongdoings by the duo are their own responsibilities. Many analysts believe the US sanctions on the former Army chief have no impact locally. But it has a global importance and it's a kind of caution from the US government that they did not leave Bangladesh's political issues like human rights or corruption although they want to work with the new AL government.

On the other hand, the analysts think the issue of Benazir is being used by the ruling party to show up its strong commitment against corruption. Since all the purposes were served by the Awami League, such figures like the former police chief will no longer be required. Rather, it will be a good tool to expose the seriousness of the

government to show that Awami League will not spare anybody even if he is a very powerful one. However, the opposition BNP is not being able to take any advantage of these two issues. Even they have no strong voice on the issue which frustrated its leaders and activists. As a result, BNP could not utilise the two issues although both have the merits to use in politics.

Meanwhile, Prime Minister Sheikh Hasina again brought the issue to the spotlight that a foreign country was insisting her government allow it to set up an airbase in Bangladesh. She did not accept that proposal and that country is still conspiring against her government. Why such an issue is being brought to the focus—it's also not clear. Many believe it might be a good tactic by the ruling party to divert the attention of the people when the govern-

ment is under serious pressure about the economy as all the economic indicators are showing negative signs. But pressure from abroad might be another reason and such remarks by the PM might be a

worked closely with his brother to ensure the improper awarding of military contracts and accepted bribes in exchange for government appointments for his personal benefit." US State Department Spokes-

supporting Bangladesh in its fight against corruption. Speaking to the media at his home in the capital after the sanctions, Aziz refuted the allegations, saying the move could have been made to embarrass him or to discredit the government as he had held an important position during the tenure of the Awami League government.

Aziz was the chief of army staff between June 2018 and June 2021. He led Border Guard Bangladesh between 2012 and 2016. He said he was ready to accept any consequences if anyone could prove that he gave contracts to his brothers or relatives when he was the army chief and the director general of the BGB.

Aziz is the eldest of five brothers. His brothers Tofail Ahmed, also known as Joseph, Haris Ahmed and Anis Ahmed hit headlines during the 1990s and the 2000s for murder, extortion, and possession of illegal firearms. Joseph alone was accused in 10 cases filed in connection with extortion and possession of illegal firearms. Joseph was sentenced to death and Haris and Anis got life imprisonment in a murder case in 2004. Aziz got media attention after Joseph got clemency in the murder case in 2018 and Haris and Anis in 2019.

Al Jazeera on February 1, 2021 aired a documentary titled "All the Prime Minister's Men" in which it claimed that Aziz exerted influence to help his three convicted brothers get various contracts. The media spotlight was back on him again. He was the army chief then.

The army headquarters and the foreign ministry refuted the allegations made by Al Jazeera, labelling it "false" and "slanderous".

Tale Of Joseph, Haris, Anis

Joseph was a Chhatra League leader of Mohammadpur. He entered the political arena under the guidance of his elder brother Haris. He later joined Subrata Bain's gang known



Awami League President and Prime Minister Sheikh Hasina speaking at a meeting of the Awami League-led 14-party alliance

counterattack against the foreign countries which are serious about human rights issues or democracy.

US Slaps Sanctions Against Ex-Army Chief Aziz, Family

The US on May 21 imposed sanctions against former Bangladesh army chief General (retd) Aziz Ahmed and his immediate family members for what it said was his involvement in significant corruption.

"This action [imposing sanctions] renders Aziz and his immediate family members generally ineligible for entry into the United States," reads a press statement of the US State Department. It said the actions of Aziz contributed to the undermining of Bangladesh's democratic institutions and the public's faith in public institutions and processes.

"Aziz Ahmed engaged in significant corruption by interfering in public processes while helping his brother evade accountability for criminal activity in Bangladesh. "Aziz also

person Matthew Miller announced the public designations made under Section 7031(c) of the annual Department of State, Foreign Operations, and Related Programs Appropriations Act. A public designation refers to the identification and notification of individuals complicit in significant corruption or gross violations of human rights.

The press statement said this designation reaffirms the US commitment to strengthening democratic institutions and the rule of law in Bangladesh. "The United States supports anti-corruption efforts in Bangladesh through assistance to make government services more transparent and affordable, improve the business and regulatory environment, and build capacity in investigating and prosecuting money laundering and other financial crimes."

The sanctions came just days after the visit of US Assistant Secretary of State for South and Central Asia Donald Lu, who had spoken about

as the "Seven Star", infamous for carrying out murders, abductions, extortion, illegal occupation of land and establishments, and tender manipulation. Joseph and Haris became "top-listed criminals" in the 90s, according to media reports. On May 7, 1996, Freedom Party leader Mostafizur Rahman Mostafa was shot dead in broad daylight in Mohammadpur. The following day, Mostafa's wife Rashida Parvin filed a murder case.

Haris and Anis had then fled the country, according to media reports, and they had been on the run in the eyes of the law for decades. Joseph was arrested and a Dhaka court on April 25, 2004, sentenced him to death in the murder case while Haris and Anis were sentenced in absentia to life imprisonment.

The High Court in September 2007 upheld the death sentence of Joseph, but the Supreme Court on December 9, 2015, commuted his sentence to life imprisonment. After serving 20 years, Joseph was freed on May 27, 2018 following a presidential clemency with about one and a half years of his sentence remaining. A month later, Aziz became the army chief.

Jail sources at that time said the process of Joseph's release began on March 31, 2018, and the procedure for getting the president's clemency was initiated on June 7, 2016 by his mother. Haris and Anis, who had been fugitives, in the murder case got clemency from the government under Section 401 of the Code of Criminal Procedure in March 2019.

Interpol issued a red notice for Haris on October 25, 2005 and withdrew it in 2019 following a Dhaka Metropolitan Police commissioner's request, according to a letter of the National Central Bureau of Bangladesh Police, dated April 7, 2021. Haris's name was on the list of the "wanted persons" on the Bangladesh Police's website for several years. His name was removed after he wrote to

the home ministry on March 23, 2021 and said the government had pardoned him and his brother Anis. He claimed himself to be a well-established businessman since the 90s and a "shining star" in the Awami League since the 80s. The home ministry approved his request and forwarded the letter to the inspector general of police the same month, according to media reports.

The three brothers are now believed to be abroad.

Other Sanctions

The US on December 10, 2021 imposed sanctions against Rapid Action Battalion (Rab) and seven

actions were taken under a different law, Foreign Minister Hasan Mahmud said on May 21.

He said the US had informed the Bangladesh embassy in Washington about the sanctions before making it public.

Benazir's Wealth: Court Orders Confiscation Of More Assets

A Dhaka court on May 26 ordered the authorities concerned to confiscate assets under 119 more deeds of former inspector general of police Benazir Ahmed and his family members in connection with alleged corruption. The court also directed them to confiscate eight wholly



Former inspector general of Police (IGP) Benazir Ahmed.

incumbent and former top officials of the force for alleged violations of human rights, including extrajudicial killings and enforced disappearances.

In May last year, a few months ahead of the January 7 elections, Washington announced a visa policy, saying those undermining the democratic elections in Bangladesh would be denied US visas.

US Sanction On Aziz Not Under Visa Policy: Foreign Minister

Former chief of Bangladesh Army Aziz Ahmed was not sanctioned under the visa policy, instead, the

owned and 15 partially owned properties of Benazir, his wife Jissan Mirza, and three daughters, after Anti-Corruption Commission Deputy Director Md Hafizul Islam, also the enquiry officer, applied to the court.

On May 23, the same court ordered the authorities concerned to confiscate properties under 83 deeds, which state 114 acres of land, and freeze 33 bank accounts under the name of Benazir and his family members. In the application, the ACC said Benazir stands accused of amassing illegal wealth worth hundreds of crores of taka at home

and abroad by resorting to abuse of power, irregularities, and corruption. The properties were registered in the names of Benazir, his wife, and three children. The former IGP and his family members are trying to hand over the assets. If they can do it, the investigation will be hampered, read the application. For a fair enquiry and establishing justice, the properties should be confiscated, it added. On April 18,

Bashundhara residential area, and all these properties were purchased with illegal money, the report said.

Quader: Government Does Not Protect Criminals

Awami League General Secretary and Road Transport and Bridges Minister Obaidul Quader said that the government does not give protection to anyone and criminals would be punished. He said this

Buet student Abrar belonged to the Chhatra League, he added that the government also did not protect those who were hanged in the Biswajit murder. Former IGP Benazir Ahmed joined the Bangladesh Police Service as Assistant Superintendent of Police in February 1988. Benazir, the former DG of RAB was appointed to the top post of IGP on April 8, 2020.

From January 2015 to April 14, 2022, he served as the RAB director general.

PM Hasina Says She Rejected Proposal For Airbase

Awami League President and Prime Minister Sheikh Hasina has said a “white-skinned” foreign country wants to install an airbase in Bangladesh and that it is still conspiring against her government after being rejected.

"Next time, they said, no election will be held in the country." If an election took place, there would be no problem for me to be sworn into power if I allowed a country to set up an airbase inside our country. The proposal came from a ‘white skin’ country,” she said at a meeting of the Awami League-led 14-party alliance on May 23. “I replied that I am the daughter of Bangabandhu Sheikh Mujibur Rahman. We liberated this country through a war. I do not want to gain power by renting or giving certain parts of my country to anyone. If people in the country want it, I will come to power.”

The premier said: “I am sharing this information to enlighten you. I am fighting this battle wherever I go. At that time, I accepted the challenge. However, the conspiracy is still ongoing. There is a plan to make a Christian state here like East Timor with some parts of Bangladesh’s Chittagong and Myanmar.”

She revealed the plan for a military base in the Bay of Bengal, which is connected to the Indian Ocean.



Nagorik Oikya President Mahmudur Rahman Manna addressing a sit-in program organized by Jatiyatabadi Motor Chalak Dal in front of the National Press Club

the graft watchdog decided to launch an inquiry into the allegations of amassing illegal wealth by the former inspector general of police and formed a three-member committee to this end.

Bangla daily Kaler Kantho recently published a two-part investigative report on the acquisition of substantial property by Benazir and his family. The first report was published on March 31 under the headline "Aladdin's Lamp in Benazir's House."

According to the report, the former police chief's family owns an eco-resort on around 1,400 bighas and has bought another 800 bighas of land next to that resort. They also own 2,00,000 shares in five-star hotels. Additionally, his family owns a 3,500sqft flat in the capital's

when asked if the government is embarrassed by the seizure of assets of the former IGP and the US sanctions against the former army chief at a press conference at the Awami League office on Bangabandhu Avenue on May 24.

Obaidul Quader said: “The government has shown courage in punishing the crime not considering how influential he is. Sheikh Hasina's government has that honest courage.” “The judiciary and the ACC are independent. If someone is convicted there, we will not protect them. The government is not about to give protection to anyone, be it an ex-IGP or an ex-army chief,” he added.

Pointing out that the government was not on their side even though all those convicted in the murder of

"This area has been famous for trade and business for a long time. The nearby area is devoid of any controversy. Many want an establishment here, but I rejected this proposal. This is my fault. Where do they want to attack by installing an airbase here? I know an attack will be easy by using this place."

Sheikh Hasina stated: "Due to this circumstance, we frequently encounter challenges, but I choose not to dwell on these issues. My country's people are my strength; if they are with me, we have no problem so far."

Manna: PM Must Specify Which World Leader Offered Election Victory For Military Base

Nagorik Oikya President Mahmudur Rahman Manna on May 25 urged Prime Minister Sheikh Hasina to clarify which country is conspiring to create a Christian state taking parts of Chattogram Hill Tracts (CHT) and Myanmar's Rakhine.

"You (PM) had earlier said they (US) wanted Saint Martin's Island from me, but I didn't agree to it...then the US said we didn't want even an inch of Bangladesh's land, let alone Saint Martin's. Then they (PM) didn't say that again," Manna said while addressing a programme in the capital.

He said the prime minister now made up a story saying that she was offered a proposal by a white-skinned man to create a new Christian state, taking a portion from Myanmar's Rakhine and another from the CHT. The Nagorik Oikya leader questioned: "Who has given her the proposal? It won't do to say just any white-skinned person, as the British, Europeans, Canadians, and Japanese all have white skin... you need to specify which white-skinned individual has given you this proposal."

He said the prime minister would not be able to reveal the name of the

individual who allegedly made such a proposal. "We want to know from the prime minister, which person, which government, and which country is asking for the CHT from you. It won't happen that by creating this story you can make people cry and feel your sorrow and be appeased to tell you to stay in power. We're not that kind of people," Manna said.

The Nagorik Oikya President also

voicing deep concern over jailing Dhaka North city unit BNP leader Rezaul Rahman Fahim in four "false cases" filed with Banani police station in the capital. Fakhru said the main goal of the "illegal usurper" Awami League government is now to send the opposition leaders and activists to jail by denying them bail and sentencing them in false cases using the court.

As part of that goal of the govern-



BNP Secretary General Mirza Fakhru Islam Alamgir

thinks the prime minister's remarks were irresponsible. He said the Awami League government will not be able to stay in power for five years as it has become weak in every aspect.

Fakhru: People Fed-Up With Awami League's Cruel Misrule

BNP Secretary General Mirza Fakhru Islam Alamgir on May 23 alleged that the country's people have become fed-up with the "brutal behaviour and cruel misrule" of the current Awami League government.

"It has started extremely repressing and suppressing the leaders and workers of BNP, its associate bodies and other opposition parties to hang on to state power through authoritarian rule," the BNP leader said in a statement. The statement was issued,

ment, he said Rezaul Rahman Fahim was sent to jail by denying him bail in four "fabricated" cases.

"I am expressing profound concern over the recurring incidents of sending BNP and other opposition party members to jail through the denial of bail by courts throughout the country," Fakhru said.

The BNP leader warned that the people have become angry with the government. "The dream of the Awami dummy government to enjoy illegal power for a long time by persecuting the people and opposition leaders and activists will never be fulfilled."

He demanded immediate and unconditional release of Fahim after withdrawing all the "false" cases filed against him. ■



Prime Minister Sheikh Hasina opening the National SME Fair at the Bangabandhu International Conference Centre (BICC) in Agargaon

Don't Hold On To Little Money Needed For Waste Management

Business Outlook Report

P rime Minister Sheikh Hasina on Sunday asked all concerned to build waste management systems across the country, for developing environment-friendly industries, to save the country and its people from the adverse impact of climate change.

"We have to construct new industries. But [first] all have to build industrial waste management system [on a priority basis]. I request you all: don't ruin the country and yourselves by trying to save the little money needed for operating waste management

systems," she said. The prime minister made the appeal while opening the seven-day 11th National Small and Medium Enterprises (SME) Fair at the Bangabandhu International Conference Centre (BICC) in Agargaon in the capital on May 19.

She said that investors want industrialisation to be environment friendly, and for that the country's industrialisation must be planned accordingly. "Wherever you build industry, you have to keep in mind that the waste of your industries doesn't go to the rivers and water. Keep a special eye to ensure that the waste

doesn't pollute the water and the soil," she added. Sheikh Hasina called upon all to pay attention and avoid being negligent so that the country does not suffer huge losses from climate change impact.

Apart from this, she asked the industrialists to ensure proper work environment and safety for workers while also upgrading their livelihoods aimed at increasing industrial production. The prime minister said her government wants mechanisation of the industries with world class machines. But she asked all to be cautious in ensuring that mechanisation doesn't decrease the

number of labourers. The premier asked all concerned to build labour intensive industries want to help employ more and more workers. She said Bangladesh is marching ahead so the country requires more and more entrepreneurs.

"I call upon the youth-folk not to run after the jobs (only) ... prepare yourselves as entrepreneurs and give jobs to others," she said. Sheikh Hasina asked all concerned to make more opportunities for the womenfolk and help develop a large number of entrepreneurs from among them. She said that

men can take the initiative by bringing their wives and sisters into the world of SME investment, for enjoying different SME entrepreneurship facilities like borrowing at just 4% interest rate.

The premier expressed her satisfaction as 60% SME entrepreneurs are now

entrepreneurs can get lands to build their industries. The premier stressed the need for mechanisation of agriculture to increase food production for ensuring food security.

She also asked all concerned to produce small and medium-sized machines for agriculture

countries to help the country diversify its export products as well as destinations.

The prime minister said she has already asked Bangladesh missions abroad to work for economic diplomacy alongside the political diplomacy to help

said that if all the ministries can take similar measures, the country's development will be quickened.

After opening the SME fair, Sheikh Hasina said the fair will encourage others to be entrepreneurs. She described the SME entrepreneurs as



women. She said it has been possible as additional facilities are now being given to the women entrepreneurs.

The prime minister said her government has been constructing 100 economic zones across Bangladesh, adding her government wants both foreign and local investments in these. She said lands have already been allocated for 80 economic zones from where the SME Foundation or

as these have both domestic and foreign demand. The prime minister instructed all to build agro-processing factories in the different food grain production hubs of the country.

She called for increasing production of exportable products alongside creating local markets for products. She also instructed the foreign missions abroad to find out the most on-demand products in different

increase exports, cross-border business activities and trades. She said her government has established rights on a vast maritime area which have huge resources.

The SME entrepreneurs can also invest in the maritime resources to exploit its maximum benefits, she said. The prime minister expressed her satisfaction after the unveiling of the work plan for 2024-28 by the Industries Ministry, and

driving forces for the country's development, saying, "we want to create more and more SME entrepreneurs to foster the country's development."

The prime minister recalled the contribution of Father of the Nation Bangabandhu Sheikh Mujibur Rahman for taking measures for the first time for industrialisation in Bangladesh. At the same function, she handed over National SME Award-2023 to seven

small, medium and start-up entrepreneurs that includes crest and accreditation certificate.

Industries Minister Nurul Majid Mahmud Humayun, its Senior Secretary Zakia Sultana, President of FBCCI Mahbulul Alam and SME Foundation Chairperson Dr Md Masudur Rahman spoke at the function. The fair will continue till 25 May under the aegis of the SME Foundation as it will be opened for visitors

from 10am to 9pm daily. More than 300 entrepreneurs are taking part in the fair as almost 60% participants are women entrepreneurs. The SME fair will showcase 100% local products. More than three hundred and fifty companies will participate in this year's fair.

This year's fair will see the largest number of 75 participants from the garment sector. Besides, 42 participants will showcase jute products, 38 to

display handicrafts, 32 to showcase leather products and 27 to present processed agricultural products.

Moreover, 23 will display light engineering products, 14 to present food products, 13 to display IT-based services as 12 SME cluster entrepreneurs will take part in the fair from different parts of the country, 5 participants will showcase herbal industry products and 5 more will display

jewellery products. Four stalls will display plastic products, 3 to showcase electrical and electronics items, 3 to present furniture items and 19 others will display various government organisations products.

Besides, 30 banks, 15 public-private organisations, business clubs of 5 universities and about 50 other organisations will provide services to participants in the fair. ■

Cyclone Remal Causes Tk 96 Crore In Damages To Power Supply Infrastructure, As Per Initial Estimates



Cyclone Remal has inflicted significant damage on the power supply networks across Bangladesh, with initial assessments from the Ministry of Power, Energy, and Mineral Resources estimating the cost at around Tk 96 crore.

The cyclone has severely impacted power transmission and distribution systems, particularly under the Bangladesh Rural Electrification Board (BREB). According to a press release from the ministry, power connections were either fully or partially disrupted in 65 out

of 80 Palli Biduyt Samities (PBSs). The damage includes the destruction of 2,392 electric poles, 1,982 transformers, and 62,454 spans (wire strips) in 30 PBSs. Additionally, 21,848 insulators were broken, and 46,318 meters were destroyed. The total initial loss in these areas amounts to Tk 79.02 crore, with approximately 1.79 crore BREB consumers remaining without electricity until 2 pm.

In the West Zone Power Distribution Company (WZPDC) area, the cyclone destroyed 20 poles, tilted

135 poles, broke down 24.34 km of power cables, damaged 11 kV transformers, destroyed 142 pole fittings, 12 transformers, and 134 of 11 kV insulators. The total initial loss in the WZPDC area is Tk 5.76 crore. The cyclone left about 4.53 lakh consumers in darkness in this region. Despite the adverse weather conditions, the operation of LNG Terminals (FSRUs) remained normal, and no damage was reported. The gas (RLNG) supply was increased to 1,000 MMCFD, with expectations to rise to 1,100 MMCFD today.

The ministry noted that the extent of the damage could not be determined through on-site assessments due to the ongoing storm. Initial damage calculations were made through telephonic conversations with field-level officials.

Monitoring is being conducted round the clock via control rooms, and all staff leaves at BREB and WZPDC have been canceled to expedite the restoration of electricity in the affected areas as soon as the storm subsides. ■

Budget 2024-25 What Can Be Expected?



Budget 2024-25

Business Outlook Report

The National Board of Revenue (NBR) has proposed a standard VAT rate of 15 percent for many goods and services in the upcoming fiscal year (FY) 2024-25 budget. While there is a proposal to apply this VAT rate uniformly across all products and services, the Prime Minister has advised a phased implementation. This would result in a 15 percent VAT rate from production to the consumer level, which could increase consumer prices.

Currently, the NBR collects VAT at rates of 2, 3, 5, 7.5, 10, and 15 percent on various products and services. Plans are in place to phase out VAT exemptions in some sectors, moving towards a uniform VAT rate, according to Ministry of

Finance sources.

The Prime Minister has given a positive nod to a proposal to increase the supplementary duty on mobile phone calls to boost revenue collection. Currently, consumers can talk for minutes worth Tk 73 when they recharge their mobile by Tk 100, with the rest deducted as VAT and supplementary duties. If the supplementary duty is increased by 5 percent, consumers will be able to talk for minutes worth Tk 69.35 out of Tk 100.

Duty On Car Imports By MPs

Currently, MPs can import cars duty-free. However, the Prime Minister has agreed to cancel this benefit to reduce inequality. The proposed budget for FY 2024-25

includes a 25 percent supplementary duty and 15 percent VAT on car imports by MPs.

Additionally, duties will be imposed on imported cars for hi-tech parks, which previously enjoyed duty-free benefits.

Baggage Rules Remain Unchanged

Under current rules, a passenger can bring 117 grams of gold by paying a duty of Tk 4,000. The NBR proposed that this be limited to once a year, but the Prime Minister vetoed this. The tax will be collected each time gold is brought in, even if it exceeds once a year.

Corporate Tax Rates

The NBR has decided to reduce

corporate tax rates conditionally. The Prime Minister agreed to reduce taxes in non-listed industries in the productive sector from 27.5 percent to 25 percent. However, taxes in all other sectors will remain unchanged.

Tariff Benefits On Agricultural Imports

The Prime Minister advised against increasing duties on the import of agricultural inputs and fertilizers, meaning the cost of importing these items will not increase.

Return Assessment

To reduce taxpayer harassment and increase revenue collection, all taxpayers, both individuals and

companies, will be required to submit returns through the self-assessment method in the next budget. This method avoids return assessments, which are currently required for individual taxpayers and optionally for companies. Major changes to the income tax law are expected in the next budget.

No Increase In Tax-Free Income Limit

Despite rising inflation, the tax-free income limit for individuals will not increase in the upcoming budget. Last year, this limit was raised from Tk 3 lakh to Tk 3.5 lakh.

Increased Taxes For The Wealthy

To increase revenue collection, the

NBR plans to impose additional taxes on the wealthy. The top tax rate for individual taxpayers is set to rise from 25 percent to 30 percent for annual incomes exceeding Tk 16 lakh. There are also plans to reduce tax exemptions in various sectors and eliminate tax exemptions on capital income from stock market investments.

Revenue Collection Targets

The proposed budget for FY 2024-25 sets a revenue collection target of Tk 4.80 lakh crore. The current budget set this target at Tk 4.30 lakh crore, later revised to Tk 4.10 lakh crore. ■

FID Acting As A “Regulator For A Regulator”



Business Outlook Report

The Centre for Policy Dialogue (CPD) on May 23 criticised the establishment of the Financial Institutions Division (FID) of the finance ministry as it compromises the sovereignty of Bangladesh Bank.

This is because the mandate of the FID clearly states that its primary function is to ensure proper administration and interpretation of the Bangladesh Bank Order, 1974. Besides, orders relating to specialised banks, state-owned banks, and insur-

ance and financial institutions all fall under the purview of the FID as well, said Fahmida Khatun, executive director of the CPD. "And by asserting this function in its mandate, the FID has established its authority to oversee the governance of Bangladesh Bank," she added.

She made these comments at a dialogue, styled "What Lies Ahead for the Banking Sector in Bangladesh?", organised by the CPD at Lakeshore Hotel in Dhaka. Fahmida also pointed out that the FID's mandate directly

contradicts the Bangladesh Bank Order, which states the main function of the central bank is to regulate and supervise banking companies and financial institutions. "So, it seems a regulator was formed to oversee another regulator," she said.

Ever since the establishment of the FID, new banks have been given licences on political grounds, the rate of non-performing loans has increased and overall governance in the banking sector has worsened significantly, she added. ■



Interest Payments Projected To Be 253,700C Over Next Two Fiscal Years

Business Outlook Report

Bangladesh's total interest payments on loans for the next two fiscal years are projected to reach Tk253,700 crore, according to the government's "Medium Term Macroeconomic Policy Statement for 2023-24 to 2025-26". The breakdown indicates Tk115,400 crore for FY25 and Tk138,300 crore for FY26.

Domestically, interest payments are expected to be Tk100,800 crore in FY25, increasing to Tk120,500 crore in FY26. In contrast, payments on external loans are significantly lower, with Tk14,600 crore due in FY25 and Tk17,800 crore

in FY26. The government aims to reduce its total expenditure on interest payments by the end of FY26. Historically, in FY21, 15.4% of total expenditures were devoted to interest payments. This figure is forecasted to decrease to 13.5% by the end of FY26.

Domestic interest payments are expected to drop from 14.4% of total government expenditures in FY21 to 11.6% in FY25, slightly rising to 11.8% in FY26. Conversely, external interest payments, which comprised 0.9% of total expenditures in FY21, are anticipated to rise to 1.7% by FY26. This increase in external interest payments is partly attributed to the

depreciation of the taka against the US dollar and heightened external financing needs. The high prevalence of National Savings Certificates, a traditionally high-interest option, in the debt portfolio has also contributed to elevated interest costs. However, a projected decrease in the share of these instruments is expected to reduce the implicit interest rate of domestic financing.

The implicit domestic interest rate is anticipated to improve from 10% in FY21 to 9% in both FY25 and FY26. Meanwhile, external borrowings, influenced by global interest rate hikes and local currency depreciation, are likely to increase

the external implicit interest rate from 1% in FY21 to 2% in FY26. Inflationary pressures have kept the yield of marketable securities high, maintaining an overall implicit interest rate of around 6%, which is expected to remain consistent over the medium term.

To address the projected fiscal deficits of Tk279,230 crore in FY25 and Tk317,070 crore in FY26, the government plans to secure Tk120,030 crore from external sources in the next fiscal year and Tk130,640 crore in FY26, along with Tk167,770 crore and Tk186,440 crore from domestic sources, respectively. ■



Taxmen to turn their eyes other way amid financial woes

Corporates May Get Black Money Whitening Facility In Next Budget

Business Outlook Report

Black money may make a comeback as the government considers reinstating black money-whitening facility in the new budget, starting with corporate amnesty, trying to resuscitate sluggish economic activity.

It comes out as a first-ever step, officials say, to allow corporate taxpayers for whitening what is commonly known as black money without facing any question from taxmen. Corporate taxpayers would be able to show their undisclosed income without disclosing source of money by paying 15-percent tax at a flat rate, official sources said. Also, similar opportunity of

repatriating the runaway money would be offered for individual taxpayers. Earlier, the government, on different occasions, had bent the financial law only for individual taxpayers to get their unaccounted-for money legalized. The proposal for interpolating a new provision into the Income Tax Act 2023 has already been approved by Prime Minister Sheikh Hasina, officials sources said.

Officials familiar with the developments in budget exercise have said the amnesty for declaring undisclosed income is aimed at allowing corporate taxpayers to get their financial statements in the tax file regularized through Document Verification

System. Currently, many of the corporate taxpayers face difficulties in showing their previous undisclosed incomes as they have to go through Document Verification System (DVS) to get their FS audited by chartered accountants. Tax experts think the facility may help government bring transparency in corporate-book accounts many of which are grossly cooked and tampered with on different purposes.

Taxmen are going to apply 'Grandfather clause' in that case to offer general amnesty allowing corporate taxpayers to submit corrected tax returns once, they said. Tax officials guess some two-thirds of the corporate-tax returns may need general amnesty

to avoid high penalty by taxmen as their current tax year's pre-verified financial statements are unlikely to match with previous ones. Under the system, introduced by Institute of Chartered Accountants of Bangladesh (ICAB), companies will have to keep one financial statement approved by a chartered accountant.

Council member and former president of the ICAB Md Humayun Kabir, also Income Standing Committee Chairman of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), says the measure, if incorporated into the budget, may help both banking sector and corporate taxpayers.

"Companies that have shown higher income in the banks to obtain loan would not be able to give the actual FS now without such amnesties," he adds. The opportunity, if offered, for corporate taxpayers should not be compared with such amnesties for individual taxpayers on ethical grounds, he views.

"It has a staggering effect as banks that have approved loan on the basis of FS would also face problem to justify their loan approval based on assets of a company," he says about the double jeopardy. Apparently, it has been assumed that the government would lose 5.0-to 10-percent revenue with the opportunity but it would pay off later and have an impact on overall financial governance, the apex trade body's income-tax expert says to show merits of the measure.

Currently, publicly listed companies are paying corporate tax at 20 to 22.5 per cent, other than tobacco and financial institutions, while non-listed companies have to pay tax 27.5 per cent to 30 per cent. Allegations have it that many of the companies were maintaining multiple books of account to evade taxes and also to apply for bank loans.

Tax officials say main objective of the opportunity is to allow the corporate taxpayers to show previous undisclosed incomes without facing any question from taxmen and sans declaring sources.

Also, many of the individual taxpayers who sold land or flats are compelled to bear the brunt of undisclosed income due differences in mouza value and market value. Tax officials say those individuals would be able to have their income legalised by showing the additional receipt in the tax file.

Some sectors might be defined for investment of undisclosed income such as cash, bank deposits, savings certificates, real-estate, capital market and so. Although CA-au-

corporate taxpayers would need general amnesty as taxmen would only accept only DVS-verified financial statement with returns. Earlier, noted economists like Dr Ahsan H Mansur, Executive Director of Policy Research Institute (PRI), had strongly recommended allowing the corporate taxpayers to correct their financial statements allowing an amnesty for a single time.

In 2020-21, such money-whitening scheme with a 10-percent flat rate of tax had been offered as

through a scope given by the government. From 1971 to 2021, an undisclosed income of about Tk 308.24 billion was disclosed mobilizing taxes worth Tk 39 billion to the public exchequer. The amount of disclosure of undisclosed income was Tk 22.5 million until 1975 followed by Tk 507.6 million from 1976 to 1980, Tk 458.9 million from 1981 to 1990, Tk 1.50 billion from 1991 to 1996.

Some Tk 9.50 billion worth of black money was whitened from 1997 to



ditioned financial statement is mandatory with each of the corporate-tax returns, CAs earlier used to certify only 10,000 to 12,000 financials adjoined to corporate-tax returns a year, out of 30,000 corporate-tax returns received by tax authority.

The ICAB introduced DVS on December 1, 2020 and signed memorandum of understanding with the NBR and other departments to make it mandatory. Tax experts say the

part of an effort to breathe a fresh vigour into the economy, hit hard by the Covid-19 pandemic. In that financial year, the NBR earned around Tk 20 billion, a record since inception of Bangladesh, by roping the fugitive money in the mainstream of economy, which saw a record whitening of nearly Tk 144.59 billion.

In the previous 15 years till 2019-20, undeclared income worth Tk 145.96 billion had been legalized

2000 while Tk 8.27 billion from 2001 to 2006, Tk 16.82 billion from 2007 to 2009, Tk 18.05 billion from 2009 to 2013, Tk 111 billion from 2013 to 2020. Dr Ahsan H Mansur says the opportunity should have been given in the year DVS came into force.

The economist, however, suggests "the tax rate could be kept like regular corporate tax by waiving penalty". Dr Mansur finds such opportunity for individual taxpayers as "unjust". ■

Tax Amnesty Back On Table!



Apu Ahmed

Tax amnesty is going to make a comeback in the national budget for FY25 as the National Board of Revenue (NBR) is likely to offer a scheme to allow errant taxpayers to legalise undisclosed incomes, also called black money.

Amnesty at 15 Per Cent Tax

Economists find no problems with the continuation of legalising undisclosed money after paying a penalty. However, they sound alarms when the NBR brings about changes to the policy of disclosing undisclosed incomes by providing a special amnesty. It has been reported that the NBR is planning to provide a scope for the corporate taxpayers to whiten black money after paying only a 15 per cent tax. No question will be asked by the NBR about sources of black money. The econo-

mists say it does not matter whether corporate clients or individual taxpayers are given the benefits, it is a matter of ethics. Providing such a scope without any question is completely unethical. Besides, how can a government take tax from errant taxpayers to legalise undisclosed incomes at a rate less than that imposed on regular taxpayers? Moreover, the success of amnesties offered in the past to bring undisclosed incomes into the mainstream economy was almost listless.

Lame Excuse

Different types of logic and excuses have been given by the policymakers of successive governments over the past several decades for the tax amnesties. However, the outcomes do not reflect the initial views in the end. For example, the immediate past amnesty was offered three years

back at a 10 per cent flat rate of tax with the logic that the efforts would offer a fresh breath into the economy, hit hard by the Covid-19 pandemic. In that financial year, the NBR earned around Tk 2,000 crore as income tax, a record since the inception of Bangladesh, from some 11,859 taxpayers who legalised over Tk 20,000 crore undisclosed incomes. The amount is higher than that of Tk 14,596 crore legalised in the previous 15 years until 2019-20 but lower than Tk 30,824 billion between 1971 and 2021.

No Positive Impact On Economy

Has the record amount of undisclosed money injected in a single year made any major contribution to the recovery of the economy as stated by the policymakers? The answer is no. The post-Covid recovery has been marred by the

worst-ever economic crisis since April 2022. The shortage of dollars and high inflation have taken away the gloss of the economy that was once lauded as a resilient one. However, imprudent tax policies like that of amnesties for undisclosed money benefitting only dishonest businesses, high dependency on indirect taxes, capital flight, growing income equality and corruption in the bank-

improvement is seen on the troubled economic front despite the presence of the IMF in the past one and a half years.

Honest Taxpayers Demotivated

Long before the IMF, local economists had been calling for mobilising higher income tax by curbing higher leakages and evasions. But the government has not only failed to do



*Abu Hena Md. Rahmatul Muneem
Chairman, National Board of Revenue*

ing sector exposed the inner weaknesses of the economy.

Money Repatriation Schemes Flopped

To the utter surprise of the whole nation, immediate past Finance Minister AHM Mustafa Kamal proposed repatriation of laundered money at a certain tax in FY23 with high hopes that money smugglers would utilise the scopes to help the government overcome the shortage of dollars. However, not a single money smuggler made any response forcing the government to borrow a \$4.7 billion loan in seven instalments up to May 2026 from the International Monetary Fund. One of the major conditions of the IMF which has already disbursed \$1.1 billion and is expected to disburse the same amount in the current month with its loan programme is mobilisation of higher tax. The country has been ridiculed worldwide for its low tax-to-GDP ratio. However, no

so but also made itself a target of criticism because of the extension of unethical opportunities to errant taxpayers. Releasing an update on Bangladesh in the past month, the World Bank criticised the government for providing the opportunity to taxpayers with undisclosed assets to legalise their wealth, by paying tax at a rate lower than that charged from honest taxpayers and investing the money in the stock market, real estate and other certain sectors. The WB observed that such measures could be beneficial in bringing some undisclosed assets under the system, but a continuation of such a policy demotivated honest and regular taxpayers and encouraged tax evaders to continue their misdeeds by creating an expectation that they would be able to legalise their wealth.

Amnesty Encourages Tax Dodgers

NBR officials said the proposed amnesty would be aimed at correct-

ing errors made by many businesses to access bank loans in the past. They also said the government was also optimistic about bringing a substantial amount of untaxed money into the mainstream economy and mobilising higher income tax. Economists called them lame excuses while identifying key reasons for repeating the offers. Hafizuddin Khan, former chairman of Transparency International Bangladesh, noted that the continuation of such scope provided undisclosed money holders a kind of safeguard from legal challenges. While calling the measure immoral, former NBR chairman Abdul Mazid said the scope for legalising undisclosed incomes and assets had been offered in various forms since the country's independence without any major success. Rather, such repeated offers for legalising undisclosed money encouraged incomes from unethical sources such as underhand dealings, rent-seeking, loan thefts and smuggling, said the economists.

Tax Amnesty Similar To Easy Loan Rescheduling

Economists also find a similarity between repeated tax amnesties by the NBR and repeated loan rescheduling policy by the Bangladesh Bank. They said BB has been giving easy loan rescheduling scopes to willful defaulters amid political pressure causing a huge amount of money to remain idle and prone to capital flight. The investors, mainly private entrepreneurs, lack investable funds. The amnesty on undisclosed incomes has been encouraging tax dodging and increasing the presence of black money in the economy. Besides, the government has been suffering from a revenue shortfall and depending more on borrowing both from local and foreign sources. ■

Make Taxes Affordable For Media Outlets



Business Outlook Report

Business leaders, belonging to the Press and Media Standing Committee of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), urged the authorities concerned to reduce the burden of taxes on all news outlets including newspapers, television channels and online news portals etc. They also called upon the government to announce newspapers as an industry of mass importance.

The business leaders made the remarks while addressing a meeting organised by the standing committee held in the FBCCI office in Dhaka's Motijheel area on May 21. Chaired by Shoeb Chowdhury, chairman of the standing committee and former FBCCI Director, FBCCI President Mahbulul Alam joined the meeting virtually as the chief guest while Director-in-Charge Md. Rakibul Alam (Dipu)

participated in the event in person. President Mahbulul Alam said that the substantial role played by mass media in Bangladesh is immeasurable since the independence to the country's present socio-economic development journey. Media outlets have highly contributed to the advancement of business and economic progress of Bangladesh, he said.

The business leader laid emphasis on the fact that media outlets have to work very professionally and competently to deal with the challenges of days to come while approaching the goal of building up Smart Bangladesh. It is vital to ensure sustainable development of the newspaper industry. FBCCI Senior Vice President Md. Amin Helali said that it is essential to identify the obstacles that hinder media outlets and to involve all stakeholders in this arena with the above-mentioned standing committee to

overcome different drawbacks. He stressed that necessary policy amendments need to be brought about through negotiating the relevant issues with the ministry concerned. Shoeb Chowdhury said, "Media houses have to survive like all other industries by means of doing business. So, certain facilities and privileges need to be provided to media houses. Taxes imposed on papers, inks, printing appliances need to be reduced. The existing taxes on the television channels' bandwidth should be brought down too."

He said that there should be special allotment in the supplementary budget for press and media. Director-in-Charge Rakibul said that a seminar will be soon organised with the top brass of Information and Broadcasting Ministry and Commerce Ministry and other stakeholders and a strategic paper will be prepared for this purpose. Members of the standing

committee exchanged views on facilitating loan disbursement for media workers, ensuring journalists' remunerations and bonuses, cooperation from different departments and government offices to simplify and speed up the procurement of supplements and advertisements, rapid clearance of pending bills from government organizations and some other points. The standing committee members also said that it is required to arrange meetings between FBCCI leaders and editors, owners, journalists associated with television channels and newspapers every three months.

Simultaneously the discussants placed importance on inspiring journalists to publish objective and authentic reports and to abstain from unethical journalism.

The meeting was also attended, among others, by the Prime Minister's former Press Secretary AKM Shameem Chowdhury, LGRD Ministry's Board of Governors member Borhan Uddin Ahmed, FBCCI director Haji Harun Ur Rashid, Managing Director of Cute Cosmetics Limited Kazi Rajib Ahmed, Head of FBCCI International Affairs Wing Jafar Iqbal NDC, committee co-chairman Akkas Mahmud, Mohammad Nizam Uddin Jitu, Ejaz Mohammad and Tawhida Sultana. ■



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The Paradox Of Cattle Market

Apu Ahmed

Cattle are at the centre of discussion nowadays because of the high prices of beef against its surplus production as claimed by the Department of Livestock Services (DLS). It is expected that the discussion will grow over the next 15 days when affluent people of the society will rush to makeshift cattle markets to buy sacrificial animals on the occasion of Eid-ul-Azha, a religious festival in the Muslim-majority country. Sacrificial animals, as per the religious tradition, have far-reaching impacts on the country's socio-economy. But people nowadays struggle to make calculations of supply and demand of sacrificial animals and their reasonable prices amid a lack of authentic data on the overall cattle industry said to be self-sufficient by the policymakers.

Self Sufficiency

The self-sufficiency in the produc-

tion of beef can be assessed from the point of view of consumption. The per capita daily consumption of beef was 7.5 grams in 2016 in Bangladesh as per the Household Income Expenditure Survey conducted by Bangladesh Bureau of Statistics. In contrast, the per capita beef consumption in the United States has been 42.2 grams. Being one of the top beef-consuming countries, the consumption rate of beef in the US is six times higher than in Bangladesh. The DLS calculates that the overall number of livestock is 4,122.44 lakh (Cattle 248.56 lakh, Buffalo 15.16 lakh, Sheep 38.27 lakh, Goat 269.46 lakh, Chicken 3,196.89 lakh, Duck 660.16 lakh). The DLS also calculates that the production of meat in the country was 87.10 lakh tonnes in FY23 against the demand of 76.08 lakh tonnes. So, there was a surplus of 11 lakh tonnes of meat. Still, the overall daily meat consumption crossed 100 grams in line with the DLS calculation.

Providing the fact that the cattle contributed mostly to the meat basket, the DLS version of meat consumption sharply differs with the BBS consumption rate although there is a time gap of 7 years. Even the data of meat production calculated at 71.54 lakh tonnes by the DLS in 2016-17, only 5 lakh tonnes less than the overall production in FY23 cannot dispel the doubts over the data.

Cattle Export Ban By India

But there is no doubt that the production of cattle increased substantially in the country over the past one decade. A ban on the export of live cattle by India paves the way for the growing cattle farming in the country. According to an estimate made in 2013, two years before the Indian ban, the country imported about 1.5 crore of cattle annually from India by spending \$500 million. In 2013, the price of beef was around Tk 300 per kg in the

local market. Now, it is close to Tk 800 per kg despite attaining self-sufficiency in cattle production by local growers who were encouraged by the ban and made investments in

to pay Tk 684 per kg of beef, which is also the highest in the region and substantially above the global average of Tk 549. The CPD report said a kilogram of beef costs Tk 375



cattle farming to meet the local demand. However, they are completely different from the traditional home-based cattle growers who mainly depend on local varieties of cows and oxen. The crossbreeding cattle are raised by the farms. The maintenance cost of crossbreeding cattle is higher compared to local varieties because of resistance to diseases by the latter.

Extortion

Besides, cattle growers are facing problems with the growing costs of fodders and medicines amid repeated price hikes of electricity and depreciation of the local currency. Besides, they face problems in marketing the live cattle due to price hikes in transportation and extortion. In 2019, former Dhaka South City Corporation Mayor Sayeed Khokon said extortion at the Gabtoli Cattle Market is responsible for soaring beef prices. “Beef prices will decrease if extortion at the Gabtoli Cattle Market can be stopped,” he had said. In 2022, a study conducted by the Centre for Policy Dialogue found that the beef price is much higher in Bangladesh compared to the South Asian average. The CPD said consumers in Bangladesh have

per kg in Pakistan, Tk 580 per kg in India, Tk 465 per kg in Nepal and Tk 545 per kg in Sri Lanka.

Unsold Cattle

The beef price was lowered to Tk 650 per kg for around a month before the national election. But the good days disappeared as the beef



price was hiked again after the election. Many people in the county cannot afford beef due to the high price, which is close to Tk 800 per kg. Nearly 18 per cent people are poor while one-third are vulnerable to shocks like economic crisis, floods and droughts. The current economic crisis on the back of Covid has

decreased the purchasing power of the majority of people. The price hikes of essentials over the past 23 months squeezed the households. Cattle farmers blamed the financial distress for a higher number of unsold sacrificial animals during Eid-ul-Azha in 2023. The Eid-ul-Azha provides a big scope for business to cattle farmers. But the unsold sacrificial animals during the Eid-ul-Azha are growing. The number was 350,000 in 2023, higher than unsold cattle in 2022.

Purchasing Power Falling

Fisheries and Livestock Minister Abdur Rahman has already said there were 22,77,973 more cattle than the demand. “In the past, we had to import cattle from other countries during Eid-ul-Azha. But we are now able to meet our demand with local cattle,” he said. The minister said necessary instructions will be issued in the bordering districts to check the illegal entry of cattle from other countries. Dhaka will host 22 cattle markets, including both temporary and permanent ones. Digital cattle markets continue

to gain in popularity, providing a safer and more convenient option for customers, which Dhaka North City Corporation has been promoting for several years. While the supply is ample, the higher prices may affect consumer purchasing power. The increased costs could lead to fewer sales. ■

Maldives Bans Hiring Workers From Bangladesh



Business Outlook Report

The Maldivian government has stopped issuing new work visas to Bangladeshi workers in the country as more than 100,000 Bangladeshi workers are currently working in the country, according to the Bangladesh High Commission office in Maldives.

As per the new rules of the island country, only 100,000 workers from any country can work there and that figure cannot be

exceeded, the high commission added in a notification issued on May 22. However, the Ministry of Home Affairs of Maldives has officially recently ceased the recruitment of laborers from Bangladesh following concerns over illegal recruitment in the Maldives.

Home Ministry spokesperson Fatimath Rifaath told Maldivian media that the decision to halt the import of Bangladeshi

workers was implemented approximately a month ago. This move comes in response to the discovery that certain companies were recruiting laborers by submitting falsified documents and an investigation into these activities is underway, Rifaath revealed.

Moreover, the government also launched a nationwide operation to address the issue of undocumented migrants. “Operation Kurangi” and the

authorities have collected the biometric data of 705 expatriates as part of the operation.

But in the notification, the high commission explained the issue claiming the suspension is due to a fulfilled quota for Bangladeshi workers, and they were continuously making efforts to increase the quota and re-introduce visas. The notification also directed the migrant aspirants that there is no such thing as a free visa.

“You have to work in the company from which you got the visa. Violation of this law will subject you to legal action and you may be arrested and deported at any time,” the notification added. Several unskilled workers of Bangladesh have already been arrested and deported for this reason, read the notification.

All those who are currently working in this country and those who will come to Maldives in the future are again requested to be careful about this, the notification directed. In September 2019, the former president of Maldives Ibrahim Mohamed Solih banned the recruitment of unskilled workers from

Bangladesh. The ban was later lifted by the administration of new President Mohamed Muizzu in December last year. After a long break, the labor market for the Bangladeshi workers was re-launched again on December 17, which led to recruitment of illegal workers by some unscrupulous gangs.

A number of Bangladeshi migrant workers have been cheated by going to Maldives with free visas and many of them are unemployed with the fear of arrest.

Actual Figures

Earlier in December of the last year, in a press conference, Home Minister Ali Ihusan disclosed that there were 139,220 active work

permits issued to Bangladeshi laborers, with only 39,004 of them reportedly paying the required work permit fees regularly. As of December, the number of Bangladeshi laborers residing in the Maldives stood at 90,642, which is below the cap of 100,000 provided in the Employment Act for a single source market.

Usually, Bangladeshi workers mainly work in tourism and hospitality, such as hotel staff, restaurant waiters, and chefs in Maldives and they have to pay around Tk3-4 lakh in migration costs. According to a study by the Refugee and Migratory Movements Research Unit (RMMRU) in 2023, only 53% of Bangladeshi

migrant workers in Maldives receive the promised wage, with an average monthly income of Tk35,147. Documented Bangladeshi workers in Maldives earn an average monthly income of Tk37,066, while undocumented ones earn Tk25,650, the study also revealed. Moreover, 33% of Bangladeshis in Maldives work in hotels and resorts, 25% in construction, 7% as day labourers, 2% each as domestic workers and in the fisheries sector.

According to Bangladesh Bank data, in July-April of FY24, Bangladeshi workers sent \$31.69 million as remittances from Maldives. ■

Price Of Green Chillies Soars



The price of green chillies witnessed a sharp rise on the kitchen markets in the capital Dhaka in the past two weeks and the item sold for up to Tk 220 a kilogram on May 19.

Traders said that the price of the commodity continued to rise on both wholesale and retail markets due to a supply shortage. They said

that the production of green chillies almost halved due to the recent heatwave and drought-like situation.

According to traders, not only green chillies, but also the production of most of the vegetables decreased as the country witnessed drought-like situation in this summer season. The

prices of green chillies increased by more than two folds in the past two weeks to Tk 200-220 a kilogram from Tk 80-120 a kilogram.

In May 2023, the average price of green chillies was Tk 200 a kilogram on the kitchen markets in Dhaka.

Traders said that the heatwave also hampered the production of green chillies in the previous year.

This year the situation deteriorated more than the previous year as rising heatwave damaged farmlands across the country, wholesale traders said.

The prices of all the vegetables have continued to rise in recent weeks on the kitchen markets, as the production decreased due to the drought-like situation and additional irrigation pushed up the production cost, they said. ■



Mutual Trust Bank (MTB) has announced a strategic partnership with ShareTrip Pay, the country's first travel wallet and a subsidiary of ShareTrip. Syed Mahbubur Rahman, managing director and CEO of MTB, and Kashef Rahman, founder and CEO of ShareTrip Pay, were present at the signing ceremony held at the bank's corporate headquarters in the capital. ■



The US Department of State will support the 'EBL Climate Change Adaptation Award', launched by Eastern Bank. The agreement was signed in Dhaka by Assistant Secretary of State Donald Lu and EBL's Acting Managing Director Ahmed Shaheen. ■



The 125th meeting of the executive committee of Modhumoti Bank was held virtually. Barrister Sheikh Fazle Noor Taposh, chairman of the committee, presided over the meeting. Other attendees included Managing Director of Sharmin Group Mohammad Ismail Hossain, Chairmen of Labib Group Salahuddin Alamgir, Meghna Group Mostafa Kamal, and Anwar Group Manwar Hossain, Director of Bengal Group Humayun Kabir Bablu, and Md Shafiqul Azam, managing director and CEO of Modhumoti Bank. ■



A Memorandum of Understanding (MoU) was signed between the Institute of Chartered Accountants of Bangladesh (ICAB) and the Bangladesh Public Procurement Authority (BPPA) at the CA Bhaban in the city. ■



The Swift Member and User Group of Bangladesh recently held its 15th executive committee meeting. It was chaired by Shafiqul Azam, managing director and CEO of Modhumoti Bank and chairperson of the group. Mr Akhtar, additional managing director of Shahjalal Islami Bank, and Md Akmal Hossain, senior executive vice-president of Social Islami Bank and secretary of the group, were also present. ■



Bank Asia has been awarded the prestigious title of 'Best Trade Partner Bank in South Asia' at the International Finance Corporation's (IFC) Global Trade Partners Meeting. The award was presented by an IFC representative to Zakia Rouf Chowdhury, vice chair of Bank Asia's board of directors. Romo Rouf Chowdhury, chair of the board, and Sohail RK Hussain, managing director of the bank, were also present. ■



Dhaka Power Distribution Company Limited's (DPDC) chatbot 'Vidyut Bandhu', an artificial intelligence-based smart customer assistant, won the 2nd position in the 'Innovation Showcasing' organised by the Power Division. Md Habibur Rahman, senior secretary of the Power Division, distributed crest and certificate to the winners. ■



Customer Awareness Week-2024 of the Bangladesh Bank (BB) has begun in the country's northern Rangpur division, aiming to enhance banking-related awareness among customers. Deputy Governor of Bangladesh Bank Md. Khurshid Alam was the chief guest at the opening ceremony held at Panchagarh Chamber Bhaban. ■



Md Ashraful Kabir, Member (Investment Promotion) of BEPZA, and Ms Li Li, Chairman of Sanxin Accessories MFC BD Ltd, signed an agreement on behalf of their respective organisations at the BEPZA Complex in the city in presence of BEPZA Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman. ■



Professor Dr. Suborna Barua, chairman of the board of directors of ICB, Md. Abul Hossain, managing director of ICB, Mahmuda Akhter, CEO of IAMCL, Md. Mofizur Rahman, CEO of ISTCL, and Mazeda Khatun, CEO of ICML, congratulated Md. Abdur Rahman Khan, on becoming secretary of Financial Institutions Division, Ministry of Finance. ■



Shahjalal Islami Bank PLC has been awarded as the 'Best Climate-Focused Bank' in Bangladesh at the 24th National Renewable Energy Conference and Green Expo-2024. The Institute of Energy, University of Dhaka, and Green-Tech Foundation jointly organised the award giving ceremony at the Senate Hall. Deputy Managing Director of Shahjalal Islami Bank Imtiaz U. Ahmed received the award. The event was chaired by Dr Sitesh Chandra Bachar, Pro-Vice Chancellor (Education), University of Dhaka. ■



A workshop on "Public Financial Management" organised by The Institute of Cost and Management Accountants of Bangladesh (ICMAB) was held at its auditorium in the city. Mohammad Muslim Chowdhury, former comptroller and auditor general of Bangladesh, attended the workshop as a resource person. Abdul Matin Patwary, treasurer of ICMAB, Mohammed Jahangir Alam, council member, and Muhammad Nazrul Islam, chairman of Dhaka Branch Council, were present at the event. ■



Rivalry Steepens Among US, European Aircraft Producers Over Bangladesh Market

Business Outlook Report

An apparent rivalry has steepened among US-based Boeing and Europe's Airbus over the Bangladesh's aviation sector as the two commercial aircraft producers are vying to reach a deal with state-run Biman airlines that decided to procure craft to expand its fleet. Boeing has demanded a "full and fair evaluation" of its proposal of selling wide-body jets while its archrival Airbus said they were confident to ink the deal with Biman.

"We want to see a full and fair evaluate on (by Biman) of our proposal and we hope that happened before the final (purchase) decision," Boeing's visiting vice president Ryan Weir told a select group of aviation reporters here on May 21. Weir said he recently met with concerned senior officials including that of the PMO and civil aviation ministry alongside the Biman and "they told us quite frankly that they

will do full evaluation of the Boeing proposal". French ambassador in Dhaka Marie MASDUPUY, on the other hand, told diplomatic reporters on Wednesday morning that discussions between Airbus and Biman was "going well" on purchasing Airbus wide body passenger and freighter planes. "We hope that soon there will be a signature of finalization (of the deal) ... We are very confident," she said.

Civil aviation and tourism minister Faruk Khan meanwhile told BSS today that he asked the Biman to evaluate thoroughly both the proposals and accept one which would benefit the national airliner. "We will accept the proposal which will be beneficial for us," he briefly told this correspondent. The tug of war between the two aviation giants continues for more than a year when the Bangladesh government decided to purchase more wide body planes for the Biman fleet, which currently

is dominated by Boeing planes. The Airbus came to the scene last year when a Joint Communique was signed in London between UK's Minister of State in the Department of Business and Trade Lord Dominic Johnson and Bangladesh Prime Minister's Private Industry and Investment Adviser Salman F Rahman. The Communique, includes the purchase of 10 A350 aircraft, including two A350 Freighters from the Airbus to establish an aviation and trade partnership to develop Bangladesh's aviation sector.

French President Emmanuel Macron visited Dhaka in September last year when he said that Bangladesh had committed to order 10 aircraft from Airbus. Seeing the Airbus move to munch Boeing monopoly in Bangladesh's aviation industry, the US plane manufactures came up with a proposal to Biman to supply more Boeing wide body

aircraft. "We have had a proposal on the table for years now," said Boeing's vice president adding they placed a proposal to sell four passenger planes of Boeing 787 Dreamliner and two Boeing 777-300ER cargo planes. "We understand that the Airbus proposal was (already) evaluated (by the Biman). (So) We are always after a fair evaluation of our products," Weir said.

Boeing Managing Director-Commercial Marketing, Eurasia, and Indian Subcontinent Ashwin Naidu and Sales Director Kaanthi Bhuvanagiri also spoke at the "meet and greet" session with reporters at a city hotel. Boeing officials assured that the Export-Import Bank of the United States (US EXIM Bank) would provide adequate credit to Biman to procure the US made new aircraft.

Weir said in its proposal Boeing also offered a consultancy service at free of cost to Civil Aviation Authority of Bangladesh (CAAB) to get its status upgraded from category 2 to category 1 by the US federal Aviation Authority so that Bangladeshi airlines can fly to the United States. Ashwin Naidu claimed, as per their internal research, Boeing 787 would earn Biman about US\$5

787 while Boeing products are going to be more or less expensive than those of our competitors," he claimed calling their proposal lucrative.

On the other hand, he said, Biman would need to spend an approximate additional amount of nearly \$150 million over the next 20 years if go for a mixed fleet, meaning incorpo-

benefiting from fleet commonality. He said Biman does not enjoy any benefit of "cross-crew qualification" training for lack of a common cockpit design as its fleet consists with different version of six Boeing 777-300 ER, four Boeing 787-8, two Boeing 787-9, six Boeing 737 and five are Dash 8-400 aircraft.

Maillard also claimed that the



ration of Airbus craft in its fleet alongside the existing Boeing ones.

These costs are driven by airplane and engine spares and spare parts, tooling, training as well as additional pilot salaries and administrative overhead costs due to having multiple pilot grounds, he added. In an

300-410 seater category of A350-900 offers the lowest cost per seat of any large wide body as this new version of aircraft offers 25 percent advantage in fuel burn, operating costs and CO2 emissions compare to previous generation planes. He said the A350 aircraft can fly profitably from Dhaka to any large port in the world as it offers up to ultra-long haul 9,700 nautical miles while fuel costs account for 40 to 50 percent of an airline's operating expenditure broadly. Both the Boeing and Airbus offered for a long-term partnership with Bangladesh to help Dhaka's desire of turning the country as an aviation hub through providing technology transfer and technical support to its aviation educational institutes.

High officials of both the giant plane manufacturers observed huge aviation market potentials of Bangladesh as it is predicted that the fleet size in Bangladesh is expected to be tripled in next 20 years due to the country's unpretending economic growth. ■



million more profit per plane annually because of its fuel efficiency and reduce 30 percent maintenance cost. "We can offer competitive delivery timing with a delivery position of

earlier interview with the BSS, Airbus President and Managing Director in India and South Asia Remi Maillard, however, claimed that currently the Biman is not

High Inflation Reducing Forex Reserves



Business Outlook Report

The Bangladesh Bank Training Academy on May 19 published the biannual journal (January – June, 2022) "Thoughts on Banking and Finance," featuring six research-based articles.

A research paper titled "Does Remittance Inflow Affect Foreign Exchange Reserve? A Case Study of Bangladesh" found that trade and inflation have a significant but negative long-term impact on reserves. The study found that 1% decrease in inflation would raise the reserve by 0.11%.

Bangladesh's overall inflation rate reached 9.74% in April, remaining over 9% since March 2023. Net forex reserves in Bangladesh, as per

International Monetary Fund guidelines, fell to \$13.15 billion, with the gross reserves dropping to \$18.26 billion on May 14, marking a 10-year low, according to Bangladesh Bank data. The reserve was \$48 billion in 2021.

"To maintain low inflation, stabilizing the foreign exchange rate requires more reserves, which are impacted by high inflation," the BBTA study said. Conversely, stable inflation positively affects reserves, as it enables domestic products to compete better in foreign markets.

The accumulation of foreign exchange reserves is reflected in the balance of payments. A BoP surplus indicates reserve build-up, while a deficit shows reserve depletion or

government borrowing from abroad. A country with significant reserves can intervene in the foreign exchange market by buying or selling its currency, influencing supply and demand dynamics.

Higher reserves help stabilize or strengthen the domestic currency against others. Against the backdrop of a severe dollar crisis, the central bank has been selling dollars to commercial banks, with more than \$32 billion sold over the past 34 months.

This included \$11.6 billion allocated to banks in July-April of FY24, \$13.5 billion in FY23 and \$7.62 billion in FY22. However, currency depreciation makes imports more expensive, contributing to domestic

inflation, while appreciation makes imports cheaper, reducing inflationary pressures.

Import dependence and other factors also influence inflation.

The interbank dollar rate soared to Tk117.5 each after the central bank raised the greenback rate by Tk7 each on May 9.

The exchange rate per dollar in the country was Tk84.81 in June 2021, Tk93.45 in June 2022 and Tk106 in June 2023.

Foreign exchange reserves can be increased by remittances, which help in exchange rate stability.

The cost of imported items can affect inflation, thereby influencing the exchange rate.

The study suggested that both the government and the central bank should collaborate to control exchange rate fluctuations.

By implementing appropriate measures, such as intervening in the foreign exchange market, when necessary, they can help in maintaining a stable exchange rate.

This stability, in turn, assists in meeting targeted inflation rates and safeguarding the foreign exchange reserves of the country, the study said. ■

Tax Collection Target Given Without Considering NBR's Capacity



Business Outlook Report

The capacity of the National Board of Revenue is not considered while announcing tax collection targets every year in the national budget, said NBR Chairman Abu Hena Md Rahmatul Muneem. He made the remarks at a dialogue titled “Digitalisation of the Taxation System in Bangladesh: The Next Frontier” on May 19. Centre for Policy Dialogue (CPD) organised the discussion.

The NBR boss said the tax collection target is given as a percentage of the previous year’s target. “But this is not given on the basis of the amount of tax being collected at the end of the year. Targets need to be chased throughout the year. But not much, including tax reform, is done. At the end of the year, everyone says NBR has failed to meet the target.” State Minister for Finance Waseqa Ayesha Khan was present as the chief guest.

CPD Executive Director Dr Fahmida Khatun chaired the session while CPD Distinguished Fellow Professor Mustafizur Rahman delivered the keynote speech. In the discussion, the speakers focused on the effectiveness of the various initiatives taken in view of digitalisation of Bangladesh’s taxation system. They discussed what has worked, what has not worked and why, the lessons learned from past experience and what further steps will need to be taken in moving forward in this connection.

They said although the NBR has been digitised to a large extent in tax collection, its benefits are not being realised. Digitisation in Customs, VAT, Tax and Payments lacks coordination between these departments, they alleged. According to them, due to this lack of coordination, it is not possible to stop tax evasion, which is one of the

problems of NBR. In the keynote, Mustafizur Rahman observed that the country’s annual development programme (ADP) is becoming dependent on debt. “The interest rate of the loan that is being taken now is very high. The government’s 7th five-year plan targeted raising the tax-GDP ratio to 20% by 2020,” he said. Professor Rahman added, “If that were the case, there would be no need to borrow for annual development programmes. In the last few years, the tax-GDP ratio has declined in the country.”

In the presentation he showed that the country’s tax-GDP ratio was 10.36% in the fiscal year 2020–21 while in the FY 2021–22 it was 8.43%; In the FY 2022–23, it was 8.26%. “The tax-GDP ratio target for the current fiscal year 2023–24 has been set at 9.99%. It is not possible to achieve this goal in the current way of tax collection.” Distin-

guished Fellow of CPD Dr Debapriya Bhattacharya spoke as a special commentator. He said that if the tax system is digitalised, transparency can be ensured. "It is necessary to focus not only on tax collection but also on providing services to taxpayers." He said that if the distance between taxpayers and tax collectors can be reduced, the process will be easier.

The NBR chairman said although the revenue collection is increasing, the tax-GDP ratio remains low. The income tax was 10% (of GDP) in FY

1972-73. Now the direct taxes have increased. Businessmen say business cannot be done under the tyranny of the NBR. When common people go to the market, they say that the VAT is too high." He, however, said the number of people filing returns in the country has doubled in the last four years.

About the tax system reforms, he said, "NBR has to be busy with revenue collection throughout the year. That is why it is not possible (for it) to innovate in the tax collection system." Team Leader of Inclu-

sive Governance, Delegation of the European Union to Bangladesh, Enrico Lorenzon delivered Introductory remarks.

NBR former member (tax policy) Md. Alamgir Hossain, Bangladesh Garment Manufacturers and Exporters Association director and former president of Dhaka Chamber of Commerce and Industry Shams Mahmud, and Senior Public Sector Specialist at The World Bank Syed Khaled Ahsan were among other distinguished discussants at the event. ■

BGMEA Seeks Foreign Ministry's Cooperation In Product, Market Diversification For RMG Sector



A delegation from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), led by President S. M. Mannan (Kochi), met Foreign Minister Dr Hasan Mahmud at the ministry in Dhaka on May 21 and sought Foreign Ministry's cooperation in product, market diversification for RMG sector.

The BGMEA delegation included Senior Vice President Khandoker Rafiqul Islam, Vice Presidents Arshad Jamal (Dipu), Abdullah Hil

Rakib, Miran Ali, Directors Md. Imranur Rahman, Mohammad Sohel Sadat, Shams Mahmud, Rajiv Chowdhury, Md. Mohiuddin Rubel, Barrister Shehrin Salam Oishee, Md. Nurul Islam, and Saifuddin Siddique Sagar.

They discussed product diversification and strategies to enhance ready-made garment exports to new markets. During the meeting, the BGMEA President emphasized the significance of market and product diversification to reach the goal

of achieving \$100 billion from garment exports by 2030. He noted that garment exports to new markets have increased from \$847 million to \$8,370 million with government policy support over the past 15 years.

BGMEA seeks the cooperation of Bangladesh's relevant embassies in organizing roadshows, networking with buyers, and participating in key fairs to increase exports to new markets, particularly to Brazil, Argentina,

Russia, South Africa, Turkey, and ASEAN countries. He also highlighted the importance of bilateral and regional free trade agreements with these potential markets. During the meeting, the BGMEA President sought the Foreign Ministry's support in addressing the potential impact of LDC graduation on the country's export trade and continuing duty-free facilities in major export markets. The Foreign Minister emphasized the need to diversify into new products and explore new markets, especially in Africa, South America, and ASEAN countries.

He assured the delegation of the Foreign Ministry's full cooperation in this regard, mentioning ongoing discussions with various countries to remove tariff barriers in these potential markets. ■



BB To Apply Moral Suasion To Keep Lending Rate Within 14pc

Business Outlook Report

Businesses' worry over interest instability prompts the central bank to weigh playing the morality card to peg bank lending rate within 14 per cent, in an exigent paradigm shift. Officials say the Bangladesh Bank (BB) is now considering applying 'moral suasion' on the commercial banks to keep the maximum lending rate within 14 per cent on the money market.

Moral suasion mechanism comes into play to prevent any possible act of unusual hike in the lending rate by banks taking the opportunity of the market-oriented interest regime, just pivoted to through the lift

of limits. Moral suasion is a type of influencing procedure which is applied by central banks to keep the pressure on commercial banks in order to abide by the monetary policies that are established. In fact, most of the moral suasion involves verbal gestures and signalling through central bank minutes.

Seeking anonymity, a BB official said they had started monitoring the trend of interest rate on the market closely. "If we find any unusual behaviour by any market player in this open-market regime, we will act applying moral-suasion instrument to keep the market stable." The central banker defines

moral suasion as a kind of verbal instrument that the central bankers in many countries use to influence market and public sentiment into believing that they are in control of the economy and ready to act if and when needed. Replying to a question, the BB official said the central bank would apply other instruments, too, like squeezing credit supports and other regulatory measures if any bank does not comply with the verbal instructions.

Getting afraid of an abnormal rise in lending rate following BB's recent policy shift from managed interest rate to completely market-driven rate, a delegation of the Federation of Bangladesh

Chambers of Commerce and Industry (FBCCI), led by its president Mahbubul Alam, met the central bank governor, Abdur Rouf Talukder, last on May 21. In the meeting, the governor assured them that loan-interest rates would not exceed 14 per cent.

The FBCCI president said the cost of fund continued rising in recent times, affecting the businesses as entrepreneurs undertake a project considering the current interest rate, exchange rate and many other factors. If these change frequently, businesses face consequences. "Thus, we have requested the central bank not to change the policies repeatedly," said the

president of the country's apex chamber. Talking to The Financial Express, managing director and chief executive officer of Dhaka Bank Emranul Huq said the lending rate of the bank did not cross the target 14 per cent. "This is probably the reason behind not receiving any instruction from the central bank till today."

Welcoming the BB's moral-suasion move as right and timely one, the experienced banker said the banks need to act

sensibly in this market-driven interest regime so that the market is not overexposed and underrated.

Taking the current macroeconomic and credit-demand situations into consideration, he said, the 14-percent lending rate is enough for the banks. "If any bank goes over the target, it would trigger unhealthy competition that we don't want to see." But money-market analysts term such option 'very conflicting' with the

central bank's recent policy switch from managed to completely market-driven rate reintroduced on May 8, 2024 after discarding a reference rate called SMART.

Former lead economist of World Bank's Dhaka office Dr Zahid Hussain says moral suasion conflicts with the BB's officially declared policy for market-centric interest regime. Discarding SMART, he argues, the BB officially abandoned any form of ceiling in

fixing interest rate. But within less than two weeks, amid pressure from the businesspeople, a message of 14-percent maximum lending rate sent to the market, which is "unfortunate".

"The BB should wait for a certain period of time to observe how the market behaved with the policy shift. I think it will certainly hamper the policy credibility of the central bank," says the former WB economist. ■

No Intention To Fix New Price For Edible Oil Before Eid



State Minister for Commerce Ahsanul Islam Titu on May 21 said the ministry has no intention to fix any new price of edible oil before Eid-ul-Azha.

"There will be no adjustment on the import-dependent goods, especially edible oil. I hope the producers and importers will not fix any new price till Eid. Even if the price of the dollar increases, the price of the product will be kept at the same level for the benefit of consumers," he said while talking to reporters at the Secretariat. Due to the increase of the dollar rate,

the prices of import-based products will go up. Asking about whether the dollar rate will increase the pressure on consumers, he said, "I want to assure you, the dollar adjustment is between Tk 10 to Tk 17 and there will be no impact on the consumer level."

Replying to a question about whether any special measures will be taken to control the market, the minister said "There is no shortage of products and until Eid there will be no shortage. We're not trying to control the market. We try to ensure

that the market is properly functional, that the price is determined according to demand and supply, and that the price of imported goods is close to the indicative price."

Expressing dissatisfaction, Titu said there are some unscrupulous people in our country who seek opportunists when Eid comes. Despite ample supply the prices of goods increase in one or two places, he said. He also assured of reactivating the monitoring system so that no one can take advantage of the market ahead of Eid. ■

Shrinking Transparency, Rising Losses: Is Bangladesh's Banking Sector At Risk?



Business Outlook Report

The Centre for Policy Dialogue (CPD) paints a concerning picture of Bangladesh's banking sector, highlighting a lack of transparency, declining depositor returns, and potential underestimation of non-performing loans (NPLs). CPD on May 23 said that people were now withdrawing money from banks as massive irregularities in the banking sector continued to erode their trust.

Their findings, presented at a recent discussion titled "What Lies Ahead for the Banking Sector in Bangladesh?" raise questions about the sector's stability and the need for urgent reforms. Fahmida Khatun, executive director of the CPD, in her keynote presentation said: "There are two layers of problems

with banking sector data and information. First, most banks do not publicly display their performance data on their websites. Suppose you don't get information about Basel III in most banks. And those who don't show it, you must know that they don't comply with it." "Second, the information they are giving is really the actual health of the banks? How bad is it? That means the reliability of data and information."

"Can people know about the information that is coming from Bangladesh Bank? The door to information in the banking sector is gradually closing. The free flow of information that we used to depend on the media for so long has also stopped. But all the information should be in our hands. If that is available, maybe journalists don't have to roam

around. Their life can also be easier. Then they may go to obtain comments," she explained.

Regarding availability of information in the global banking sector, she said: "Real-time and detailed data and up-to-date information in developed countries can be found on websites. Lack of reliable information compromises policy-making. A wrong policy will be followed by another wrong policy," she added.

Negative Returns For Depositors

Adding to the concerns, CPD demonstrates that since March 2020, depositors have effectively lost money by keeping it in banks. This is because inflation has outpaced deposit interest rates, resulting in negative real returns. Their report shows the real interest rate on depos-

its falling from 0.1% in February 2020 to a low of -5.5% in August 2022 and May 2023. While it has slightly improved, it remains negative at -4.7% as of February 2024. This trend discourages saving and threatens to weaken the banking sector's resource base.

Former governor of Bangladesh Bank Salehuddin Ahmed said that the authorities must take strict action. "Bangladesh Bank now makes one rule in the morning and changes it again in the afternoon after listening to someone else. "Bangladesh Bank is given auto-

is, depositors are facing losses by keeping money in the bank for almost four years. The last profit made on bank deposits was in February of that year. The real interest rate on deposits was zero in the following month, March.

CPD's report also stated that in February 2020, the actual interest rate on bank deposits was 0.1%. Real interest rates remain negative until February 2024 after falling to 0% in March. In August 2022 and May 2023, it fell to a maximum of negative 5.5%. Since then it has always fluctuated with the rate of inflation.

of FY12 to Tk145,633 crore in Q2 of FY24. However, the actual amount of NPLs will be much higher if loans in specially mentioned accounts, with court injunctions, and rescheduled loans are included.

Fahmida Khatun further said: "From June 2012 to December 2023, bad loans in Bangladesh increased from Tk42,715 to Tk145,633 crore. If bad loans including rescheduled loans are added to this, the amount is Tk377,922 crore. On the other hand, against 72,543 cases in the Artha Rin Adalat, if we add the unpaid debt of Tk178,287 crore, the total amount of NPL stands at Tk556,209 crore." CPD also said that the financial oligarchy under crony capitalism in the country is using banks as vehicles to fulfill their goals.

Recommendations

The CPDC placed a number of recommendations: Upholding the autonomy of Bangladesh Bank as outlined in the Bangladesh Bank Amendment Bill 2003, strengthening the independence of the central bank to ensure effective oversight of the financial sector, ensuring timely access to reliable data on bank performance, implementing measures to improve the health of commercial banks. Establishing a more efficient judicial system to expedite loan recovery processes, creating an independent Banking Commission to strengthen regulatory capacity and developing a comprehensive framework to reduce NPLs and minimize future loan defaults are also among the recommendations.

The future stability of Bangladesh's banking sector hinges on addressing these critical issues. By prioritizing transparency, protecting depositors, and tackling bad loans, policymakers can restore public trust and ensure a healthy financial system that supports economic growth. ■



my by law. It must be enforced," he said. Mustafizur Rahman, distinguished fellow at CPD, believes that politicians should also come forward to solve the problems in the banking sector.

He said: "The banking sector runs on trust. Necessary steps must be made to maintain this trust"

Net Losses

Calculating the interest rate with the inflation, the CPD stated that since March 2020, depositors made losses by depositing money in banks. That

Last February 2024 it was negative 4.7%.

However, the real deposit rate, calculated as the weighted average of the monthly deposit rate of all scheduled banks adjusted with the point-to-point monthly consumer price index (CPI) inflation.

NPLs

About rising non-performing loans (NPL), CPD said that the total volume of NPLs has more than tripled in the last 10 years from Tk42,725 crore in the fourth quarter

WEEKLY SELECTED ECONOMIC INDICATORS

Chief Economist's Unit
(Policy Support Wing)
23 May 2024

	21 May 2023	30 June 2023	30 April 2024 ^R	21 May 2024
1. Foreign Exchange Reserve (in million US\$)	30026.90	31203.00	25365.20	24091.60
	21 May 2023	26 June 2023	30 April 2024	21 May 2024
2. Interbank Taka-USD Exchange Rate (average)	108.5000	108.3576	110.0000	117.7743
	21 May 2023	26 June 2023	30 April 2024	21 May 2024
3. Call Money Rate	6.05	6.18	8.73	9.30
	21 May 2023	26 June 2023	21 May 2024	21 May 2024
				Percentage change
				From June, 2023
				From June, 2022
4. Broad/Overall Share Price Index	6281.30	6344.09	5371.10	-15.34
a) Dhaka Stock Exchange (DSE) [®]	18519.47	18702.20	15558.31	-16.81
b) Chittagong Stock Exchange (CSE)	April, 2023	July-Apr., FY23	April, 2024 ^P	July-Apr., FY24 ^P
5. a) Wage Earners' Remittances (in million US\$)	1684.91	17719.99	2043.06	19117.52
b) Annual Percentage Change	-16.21	2.37	21.26	7.89
	March, 2023	July-Mar., FY23	March, 2024 ^P	July-Mar., FY24 ^P
6. a) Import (c&f) (in million US\$)	6085.00	58275.00	5109.00	49217.00
b) Annual Percentage Change	-21.23	-12.37	-16.04	-15.54
	March, 2023	July-Mar., FY23	March, 2024 ^P	July-Mar., FY24 ^P
a) Import (f.o.b) (in million US\$)	5630.00	53939.00	4731.00	45620.00
b) Annual Percentage Change	-21.23	-12.33	-15.97	-15.42
	April, 2023	July-Apr., FY23	April, 2024 ^P	July-Apr., FY24 ^P
7. a) Export (EPB) (in million US\$)*	3956.00	45677.62	3916.99	47471.77
b) Annual Percentage Change	-16.52	5.38	-0.99	3.93
	July-Mar., FY23	July-Mar., FY23	July-Mar., FY24 ^P	FY23
8. Current Account Balance (in million US\$)	-3298.0		5799.0	-2665.0
	March, 2023	July-Mar., FY23	March, 2024 ^P	July-Mar., FY24 ^P
9. a) Tax Revenue (NBR) (Tk. in crore)	29473.24	225513.09	33371.44	259958.00
b) Annual Percentage Change	4.32	8.30	13.23	15.27
	March, 2023	July-Mar., FY23	March, 2024 ^P	July-Mar., FY24 ^P
Investment in National Savings Certificates (Tk. in crore)				
10. a) Net sale	-652.06	-4161.57	-3653.27	-12545.04
b) Total Outstanding	359848.56	359848.56	354848.39	354848.39
	March, 2023	June, 2023 ^R	March, 2024 ^P	Percentage change
				Mar'24 over Mar'23
				Mar'24 over Jun'22
11. a) Reserve Money (RM) (Tk. in crore)	345601.80	383585.20	356789.20	-6.99
b) Broad Money (M2) (Tk. in crore)	1778659.60	1887167.90	1937241.60	2.65
				4.13
				10.48

12.	Total Domestic Credit (Tk. in crore) a) Net Credit to the Govt. Sector b) Credit to the Other Public Sector c) Credit to the Private Sector	July-February, FY23						July-February, FY24 ^P						Percentage change					
		Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement		
		1815957.10	5312.33	1926770.70	4313.31	2036448.90	12.14	5.69	8.63	15.25									
		324561.70	2481.20	387349.80	1851.85	390401.40	20.29	0.79	14.56	36.72									
		44587.10	3627.48	45164.70	3307.57	47517.70	6.57	5.21	19.86	21.41									
		1446808.30	6613.48	1494256.20	6117.08	1598529.80	10.49	6.98	7.07	10.58									
			15857.85		14362.54														
		12714.52	14289.47	14063.01	14366.03														
		46439.10	51489.31	44476.12	44318.38														
		June, 2022	December, 2022	June, 2023 [#]	September, 2023 [#]	December, 2023 [#]	January, 2024 [#]	February, 2024 [#]	March, 2024 [#]	April, 2024 [#]									
13.	L/C Opening and Settlement (in million US\$) a) Consumer Goods b) Capital Machinery c) Intermediate Goods d) Petroleum e) Industrial Raw Materials f) Others Total	5505.34	5312.33	4515.23	4313.31	4313.31	-17.98	-11.37	-18.81	-11.37									
		2185.94	2481.20	1768.10	1851.85	1851.85	-19.11	-25.36	-25.36	-36.65									
		3601.71	3627.48	2999.98	3307.57	3307.57	-16.71	-8.82	-8.82	-23.67									
		6573.74	6613.48	5921.02	6117.08	6117.08	-9.93	-7.51	-7.51	15.93									
		15857.85	19165.35	15208.78	14362.54	14362.54	-4.09	-25.06	-25.06	-13.94									
		12714.52	14289.47	14063.01	14366.03	14366.03	10.61	0.54	0.54	-4.96									
		46439.10	51489.31	44476.12	44318.38	44318.38	-4.23	-13.93	-13.93	-12.38									
		June, 2022	December, 2022	June, 2023 [#]	September, 2023 [#]	December, 2023 [#]	January, 2024 [#]	February, 2024 [#]	March, 2024 [#]	April, 2024 [#]									
14.	Rate of Inflation on the basis of Consumer Price Index for National (Base:2005-06=100) a) Twelve Month Average Basis b) Point to Point Basis Corresponding Period a) Twelve Month Average Basis b) Point to Point Basis Classified Loan a) Percentage Share of Classified Loan to Total Outstanding b) Percentage Share of Net Classified Loan	6.15	7.70	9.02	9.29	9.48	9.59	9.66	9.69	9.73									
		7.56	8.71	9.74	9.63	9.41	9.86	9.67	9.81	9.74									
		June, 2021	December, 2021	June, 2022	September, 2022	December, 2022	January, 2023	February, 2023	March, 2023	April, 2023									
		5.56	5.55	6.15	6.96	7.70	7.92	8.14	8.39	8.64									
		5.64	6.05	7.56	9.10	8.71	8.57	8.78	9.33	9.24									
		June, 2021	December, 2021	June, 2022	September, 2022	December, 2022	March, 2023	June, 2023	September, 2023	December, 2023									
15.		8.18	7.93	8.96	9.36	8.16	8.80	10.11	9.93	9.00									
		-0.47	-0.43	0.49	0.90	-0.08	0.30	1.58	1.22	0.59									
		February, '23	March, '23	July-Mar., FY23	February, '24 ^P	March, '24 ^P	July-Mar., FY24 ^P	FY23	FY22	FY21									
16.	Agricultural and Non-farm Rural Credit (Tk. in crore) a) Disbursement** b) Recovery c) Outstanding SME Loan (Tk. in crore) a) Disbursement b) Outstanding Industrial Term Loan (Tk. in crore) a) Disbursement b) Recovery c) Outstanding	2382.19	3056.02	24122.53	2536.90	2976.88	26667.63	32829.89	28834.21	25511.35									
		2539.03	3234.52	24220.05	2351.12	2749.03	25410.74	33010.09	27463.41	27123.90									
		51234.84	51277.37	51277.37	55860.89	56565.61	56565.61	52704.45	49802.28	45939.80									
		Apr-Jun, FY22	Jul-Sept, FY23	Oct-Dec, FY23	Jan-Mar, FY23	Apr-Jun, FY23	Jul-Sept, FY24 ^P	Oct-Dec, FY24 ^P	FY23	FY22									
		56484.26	51676.81	60611.61	49068.40	62747.05	52654.90	64841.99	224103.87	207395.04									
		271448.58	273906.60	282896.54	283236.32	295842.02	298339.27	304241.45	295842.02	282896.54									
		Oct-Dec FY22	Jan-Mar, FY22	Apr-Jun, FY22	Jul-Sept, FY23	Oct-Dec, FY23	Jan-Mar, FY23 ^P	Apr-Jun, FY23 ^P	FY23	FY22									
		18772.59	17340.49	21413.63	18562.45	29574.55	20907.66	26127.36	95172.03	72360.96									
		18477.42	16572.97	16832.73	20610.17	50593.69	17899.35	17290.02	106393.23	64862.58									
		308918.45	310572.40	320410.22	328742.50	360051.14	383075.76	395317.82	395317.82	320410.22									
		FY16	FY17 ^N	FY18 ^N	FY19 ^N	FY20 ^N	FY21 ^N	FY22 ^N	FY23 ^{NR}	FY24 ^{NP}									
		7.11	6.59	7.32	7.88	3.45	6.94	7.10	5.78	5.82									
19.	GDP Growth Rate (in percent, Base: 2005-06=100)																		

Bangladesh Bank
Foreign Exchange Operation Department
(Import Monitoring Section)

Weekly basis commodity Statement of LCs Opened and Settled for the month of August/2022

In million US \$ (Provisional)

Sl. No.	Name Of The Commodity	First week		Second week		Third week		Fourth week		Fifth week		Total	
		Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled
1.	Rice	6.54	2.75	6.74	6.05	16.40	4.26	8.36	3.21	4.98	0.51	43.03	16.78
	i) Private Sector	6.52	2.75	6.74	6.05	16.37	4.26	8.36	3.21	4.98	0.51	42.97	16.78
	ii) Public Sector	0.02	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.06	0.00
2.	Wheat	35.70	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	175.29	44.10
	i) Private Sector	13.28	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	152.87	44.10
	ii) Public Sector	22.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.42	0.00
3.	Sugar	3.36	10.09	0.07	10.78	0.02	5.27	2.53	24.36	0.04	10.33	6.02	60.83
	a. Raw	0.00	5.09	0.04	5.78	0.02	5.27	2.53	14.36	0.00	10.28	2.59	40.78
	i) Private Sector	0.00	5.09	0.04	5.73	0.02	5.27	0.00	14.36	0.00	10.28	0.06	40.73
	ii) Public Sector	0.00	0.00	0.00	0.06	0.00	0.00	2.53	0.00	0.00	0.00	2.53	0.06
	b. Refined	3.36	5.00	0.03	5.00	0.00	0.00	0.00	10.00	0.04	0.06	3.43	20.04
	i) Private Sector	0.00	5.00	0.00	5.00	0.00	0.00	0.00	9.98	0.04	0.06	0.04	20.03
	ii) Public Sector	3.36	0.00	0.03	0.00	0.00	0.00	0.00	0.02	0.00	0.00	3.39	0.02
4.	Milk Food	10.02	10.82	3.15	6.34	1.93	1.75	4.01	8.15	0.09	0.53	19.21	27.60
5.	Edible Oil (Refined)	47.55	36.81	49.28	51.78	91.38	46.41	57.07	17.37	0.00	4.03	245.29	156.40
	a) Soyabean	2.93	18.50	14.18	0.00	4.81	2.49	0.00	8.66	0.00	0.00	21.92	29.65
	b) Palm Oil	4.77	13.76	0.01	28.85	19.57	16.25	57.07	4.86	0.00	4.03	81.42	67.75
	c) Others	39.85	4.55	35.09	22.93	67.00	27.67	0.00	3.85	0.00	0.00	141.95	59.00
6.	Edible Oil (Crude)	39.50	40.14	9.36	15.78	44.59	54.37	51.72	23.16	0.01	17.45	145.17	150.91
	a) Soyabean	10.23	13.30	6.52	10.69	17.56	45.18	21.30	22.74	0.00	11.50	55.60	103.41
	b) Palm Oil	0.00	0.00	0.00	5.10	0.00	9.17	30.40	0.37	0.00	0.00	30.40	14.63
	c) Others	29.27	26.84	2.84	0.00	27.04	0.02	0.02	0.05	0.01	5.95	59.17	32.86
7.	Dry Fruits	0.60	0.32	0.32	0.52	0.41	0.14	0.57	0.24	0.07	0.03	1.97	1.25
	a) Dates	0.09	0.06	0.11	0.29	0.22	0.03	0.40	0.06	0.04	0.01	0.86	0.45
	b) Others	0.50	0.26	0.21	0.24	0.19	0.10	0.17	0.18	0.03	0.03	1.10	0.80
8.	Pulses	0.57	0.82	1.27	0.71	1.06	15.39	8.53	7.58	2.06	2.56	13.49	27.05
	a) Masur Dal	0.44	0.70	1.14	0.71	1.01	15.06	8.43	7.14	2.02	0.58	13.03	24.19
	b) Chola Dal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	c) Others	0.12	0.12	0.13	0.00	0.06	0.32	0.10	0.43	0.04	1.98	0.46	2.86
9.	Onion	3.46	3.32	3.30	3.86	2.78	2.19	3.44	3.55	0.87	0.65	13.85	13.58
10.	Ginger	0.16	0.44	0.64	0.51	0.26	0.21	0.18	0.50	0.03	0.07	1.27	1.73
11.	Drugs & Medicines	2.48	1.72	1.03	2.37	0.20	1.62	1.22	0.81	2.07	0.12	7.01	6.63
12.	Poultry Feeds	7.98	17.10	2.67	22.62	4.17	3.44	3.06	17.58	2.51	3.41	20.38	64.15
13.	Coal	14.98	2.96	13.32	0.59	8.39	0.16	0.45	0.28	0.11	0.21	37.25	4.19
14.	Cement	2.73	4.39	4.33	0.53	1.07	4.29	2.40	4.86	0.00	1.31	10.53	15.38
15.	Clinker	15.81	8.51	24.36	12.69	20.46	4.70	20.95	19.74	2.33	6.72	83.90	52.36
16.	B.P Sheet	2.64	1.11	3.42	1.41	0.29	0.81	0.92	0.57	0.70	0.35	7.98	4.25
17.	Scrap Vessels	12.06	8.88	22.93	2.72	0.00	3.31	1.66	6.09	0.00	11.82	36.66	32.82
18.	Paper	2.11	2.68	1.16	2.31	0.86	2.96	0.83	3.71	0.29	0.93	5.24	12.60
	i) Newsprint	0.01	0.24	0.00	0.09	0.54	0.15	0.00	0.06	0.00	0.00	0.55	0.55
	ii) Others	2.10	2.44	1.16	2.22	0.32	2.81	0.83	3.65	0.29	0.93	4.69	12.05
19.	Zinc Ingot	0.61	0.79	1.91	4.89	0.00	2.11	5.75	0.95	1.85	0.08	10.13	8.83
20.	Raw Cotton	38.87	70.33	42.74	65.53	27.12	63.07	33.07	74.82	6.44	22.88	148.24	296.63
21.	Synthetic/Mixed Yarn	21.65	24.52	13.22	26.10	17.13	20.06	12.57	22.86	3.38	6.47	67.95	100.00
22.	Cotton Yarn	27.29	50.04	29.08	53.21	22.55	42.60	27.32	52.75	7.26	12.68	113.49	211.29
23.	Textile Fabrics	25.43	18.18	23.03	19.82	15.03	16.66	16.59	23.26	1.53	4.19	81.62	82.12
24.	Textile Accessories	18.41	21.01	17.34	16.99	10.97	15.95	22.04	22.73	5.72	8.80	74.47	85.48
25.	Back-to-Back L/Cs	171.73	155.03	131.06	160.80	80.92	117.43	125.50	185.55	18.89	48.03	528.10	666.85
	a. Fabrics	124.44	108.31	89.84	110.88	55.79	81.34	92.85	132.42	11.86	35.42	374.78	468.38
	b. Accessories	42.05	42.33	38.36	42.70	22.42	33.74	31.09	49.26	6.71	11.38	140.64	179.41
	c. Others	5.23	4.39	2.86	7.22	2.71	2.35	1.56	3.87	0.32	1.23	12.68	19.06
26.	Pharmaceutical Raw Materials	19.59	17.20	12.10	12.53	11.21	13.11	14.78	18.77	1.99	3.77	59.67	65.37
27.	Chemicals & Chemical Products	65.36	22.53	78.18	109.53	34.82	54.94	19.88	198.75	3.89	18.13	202.12	403.88
	a. Chemical Fertilizer	39.74	6.19	20.47	88.18	23.53	40.30	3.22	179.42	0.48	3.46	87.43	317.55
	i) Urea	33.85	0.21	0.63	0.05	1.40	0.93	0.38	0.13	0.00	0.00	36.26	1.33
	ii) TSP	0.27	0.03	14.14	30.46	0.00	0.00	0.00	28.97	0.00	0.00	14.41	59.46
	iii) MOP	0.00	0.00	0.00	0.04	20.70	29.02	0.04	57.71	0.00	0.11	20.74	86.87
	iv) DAP	2.78	0.62	3.18	50.82	0.09	0.25	0.08	88.78	0.00	0.00	6.13	140.47
	v) Others	2.84	5.33	2.52	6.82	1.34	10.09	2.72	3.84	0.48	3.36	9.89	29.43
	b. Other Chemicals & Chemical Product	25.62	16.34	57.71	21.35	11.28	14.65	16.66	19.33	3.41	14.66	114.69	86.33
28.	P.O.L.	53.95	62.39	48.86	216.24	48.89	49.31	46.46	104.75	44.78	0.00	242.95	432.69
	i) Crude	2.50	0.09	0.04	0.00	0.01	0.12	0.06	0.20	0.00	0.00	2.62	0.41
	ii) Refined	51.45	62.30	48.81	216.24	48.88	49.19	46.40	104.55	44.78	0.00	240.33	432.28
29.	Capital Machinery	39.67	60.15	30.44	72.01	18.97	58.71	54.02	62.79	6.14	21.98	149.24	275.64
30.	Machinery For Mide Industries	40.80	38.27	36.40	26.25	33.05	46.50	40.34	48.12	10.81	12.19	161.40	171.34
31.	Motor Vehicle	9.83	15.82	4.24	16.59	1.19	7.30	7.55	9.67	1.18	4.16	23.99	53.54
32.	Computer, Its Accessories & Spares	4.49	4.33	1.11	5.08	3.04	5.07	3.14	2.92	0.06	0.90	11.85	18.29
33.	Medical, Surgical & Dental Equipments	1.62	2.12	2.18	2.20	1.07	2.10	2.28	3.90	0.77	0.57	7.92	10.90
34.	Others	391.39	369.18	331.13	427.49	255.00	403.68	326.46	452.04	76.18	150.14	1380.15	1802.54
Grand Total		1138.93	1096.19	951.28	1388.85	775.92	1076.34	944.39	1436.97	326.30	379.63	4136.82	5377.98

Data downloaded: on 31.08.22



Agriculture Should Get Top Priority In Budget

Business Outlook Report

Agriculture should be given the highest priority in the upcoming national budget as food security has to be ensured for the people of Bangladesh, economists said on May 23. The land available for agricultural purposes is decreasing by 0.5 percent every year while the population is increasing day by day, they said.

There are also challenges stemming from climate change and geopolitics. Therefore, it is necessary to increase food production locally, they added. They made the comments at a seminar on the political economy of agrarian futures in Bangladesh, organised by the Bangladesh Institute of Development Studies (BIDS) on

its premises in the capital. About 40 percent of the population is now dependent on agriculture for jobs and that is why the government should not divert its attention from this sector at this time of austerity, said Binayak Sen, director general of BIDS.

"In the current situation, it is very important to rationalise tariffs and subsidy policies for agricultural products. Because these are our home-grown products," he said. Arrangements should be made so that the agricultural technologies that have been developed can reach grassroots farmers, he said, adding: "If we can do that, the country will move further forward." For fiscal year 2023-2024, the government allocated only 3.5

percent of the total budget to the agriculture sector according to finance ministry documents. MA Sattar Mandal, former vice-chancellor of the Bangladesh Agricultural University, said: "We have some direct results of the transformation that is taking place in the agricultural sector of Bangladesh."

"Our production has increased. Food security has improved. Although the producers incurred losses in some aspects, their overall income increased. There is diversity in agriculture," he said. Farmers are cultivating not just grains, but also flowers, fish and fruits alongside cattle, he added. "There are also challenges. The amount of land available for cultivation is decreasing," he said,

adding that efforts were being made to bring lands in hilly and coastal areas under cultivation, albeit on a limited scale. Mandal added that the progress in production must continue and the big challenge now is finding ways to do so. Since the population is increasing, the yield will have to be doubled. And the only way to do this is to increase the use of modern technology, he said.

Muhammad Abdur Razzaque, chairman of the parliamentary standing committee of the agriculture ministry, said there is a good possibility of cultivating a diverse range of crops commercially to tackle the food shortage. "Bangladesh is still a food deficient country. There is a lot of land left unused for long periods of the

year due to salinity and irrigation problems. In this case, there is a good possibility of cultivating a diverse range of crops commercially," he said. In many cases, such crops can be produced without hampering rice cultivation. Through this, food security will be attained and export earnings will also increase, added Razzaque, a former agriculture minister.

Atiur Rahman, professor emeritus of the Department of Development Studies at the University of Dhaka, said agricultural land is falling prey to urbanisation, which is having a major impact on crop production. He said noticeable efforts are being made to attract investment in economic zones, but the effort to attract investment in

agriculture is less visible, he said.

Hossain Zillur Rahman, executive chairman of the Power and Participation

garments and remittances. So, it needs to be prioritised in policy, he said.

Professor MM Akash, faculty of BIDS Graduate

terms, and adopt efficient technology to increase agricultural production.

Geof Wood, professor emeritus of international



Research Centre, said agriculture may be the most important factor when it comes to earning foreign currency after

School of Economics, said small farmers should be given guarantees of just prices for their harvests, provided credit on easy

development at the University of Bath, also spoke at the event. ■

1.4 Lakh Tonnes Of Fertiliser Vanish On Way From Ports To Govt Warehouses

Business Outlook Report

Kushtia Trading Agency was in charge of transporting a huge volume of fertilisers – imported by the government in FY22 – to the Bangladesh Agricultural Development Corporation's (BADC) storehouses, but it has not delivered around 1.4 lakh of the fertilisers even after around two years.

While the missing fertilisers put the government in a risk of losing about Tk1,115 crore, according to the Agriculture and Environment Audit

Directorate under the Comptroller and Auditor General, the authorities concerned apparently have no idea regarding the whereabouts of the goods immensely important to the country's farmers as well as to its economy.

Kushtia Trading Agency officials said the fertilisers did not reach the government stores due to different districts' truck associations' negligence, but the truck association sources brushed aside the allegation. Meanwhile, sources familiar with

the matter said Kushtia Trading Agency and the truck association colluded together to gobble up the huge amount of fertilisers.

In case of transporting DAP and TSP fertilisers, as per the contract, the contractor has to deliver the goods to BADC within the stipulated time after the vessel arrives at the port's outer anchorage. As per rules, BADC is supposed to supply fertilisers to various warehouses within one year of signing the agreement. A fine of Tk5 per metric

tonne per day is levied for failure to transport fertiliser on time. According to the relevant documents, after the vessels carrying the fertilisers arrived at Chattogram and Mongla ports, the Kushtia Trading Agency was given a schedule for transporting them to various BADC warehouses, but the agency did not follow that condition properly.

A perusal of the records shows that the government paid through letters of credits (LCs) for importing 2.53 lakh tonnes of fertilisers by six vessels in FY22. Out of this, according to

through LCs for importing 1.08 lakh tonnes of DAP, MOP and TSP fertilisers to Mongla port by three ships. According to the bill of lading of this import, 68,085 tonnes of fertilisers were discharged at Mongla port. Out of this, 18,241 tons were supplied to various BADC warehouses, but there is no trace of the remaining 49,844 tonnes of fertilisers worth over Tk418 crore.

In this case, the amount of fine till the audit period is Tk7.37 lakh. The government's total loss for the missing fertiliser is over Tk418

this correspondent contacted the BADC office in Kushtia, they claimed that the fertilisers reached the warehouses on time, but no official could say the exact amount of fertiliser that was delivered.

When Md Azim Uddin, general manager of the Fertiliser Management Division of BADC, was contacted for comments on the matter, he expressed his inability to talk about it. Kushtia Trading Agency Managing Director Mokhlesur Rahman did not answer phone calls made by this correspondent.



the bill of lading, 90,000 tonnes of fertilisers were discharged from a ship at Chattogram port. BADC contracted with Kushtia Trading to transport the fertiliser to its warehouses, but the contractor has not delivered the fertiliser worth over Tk696 crore yet.

The fine for failure to deliver the goods within the period as per the agreement amounts to Tk91.25 lakh till the audit period. In total, the government's financial loss in this case crosses Tk697 crore. On the other hand, the government paid

crore. BADC Fertiliser Management Department Director (Chattogram) Kamruzzaman Sarkar said Kushtia Trading Agency was supposed to transport 90,000 tonnes of fertiliser from Chattogram port to BADC warehouses as per the contract. However, till now only 2,000 tonnes of the fertilisers have been delivered.

Asked why BADC did not have any information in this regard, he said that there should be information about it, but he could say anything specific regarding the matter. When

His company's offices in Dhaka and Kushtia were found locked most of the time. When the reporter went to his residence, people there said he was not there either.

Kushtia District Truck Association General Secretary Narendranath Saha said he was in India and declined to talk about the missing fertilisers. However, he said they are in charge of transporting goods, and they must have transported it when they got it. ■

Greening SMEs The Need Of The Hour



Business Outlook Report

Bangladesh may face significant barriers in exporting products to European nations in the future unless small and medium enterprises (SMEs), which provide intermediate goods and raw materials to large industries and brands, focus on greening their production units, experts said on May 25.

"Bangladesh will face difficulties exporting goods to developed countries within five to 10 years if factories in the country are not green because the EU will strictly follow the Ecodesign for Sustainable Products Regulation," said Md Abdur Rahim Khan, inspector general of the Department of Inspection for Factories and Establishments (DIFE). He was speaking at a seminar, titled "Green SMEs for

sustainable economic development in Bangladesh", organised by the SME Foundation at the Bangabandhu International Conference Center. According to Khan, the DIFE does not only observe environmental issues during inspections, but also assesses the sustainability of factories.

Mirza Nurul Goni Shovan, a member of the SME Foundation's board, added that exporters will have to mention the source of raw materials and intermediate goods on product labels in order to export to developed countries after Bangladesh graduates from least developed country (LDC) status in 2026. To protect their business interests, large industries must bear the responsibility of greening SMEs by creating awareness, he said. However, he added that local SMEs are not finan-

cially capable of greening their production units at this moment. So, he emphasised the need to incentivise green SMEs through tax benefits. Ismat Zarin Khan, another member of the SME Foundation's board, said greening SMEs is the need of the hour. She urged entrepreneurs to place their problems to the SME Foundation so that it can address them.

Farina Ahmed, secretary of the Ministry of Environment, Forest and Climate Change, said that plastic products have breached every sector, which raises health concerns. "If we do not correct ourselves or protest the pollution of the environment, then the next generation will suffer. We need to protect the environment and nature," she added. Md Zillur Rahman, a professor and chgairman of the

Department of Disaster Science and Climate Resilience at the University of Dhaka, emphasised the use of renewable energy instead of fossil fuels, which cause pollution. He further suggested adopting energy-efficient technologies to reduce air pollution.

And although he conceded that such measures require a large investment, he added that there was no alternative to mitigate the impacts of climate change.

In his keynote, Suborna Barua, a professor of international business at the University of Dhaka, said transitioning to green SMEs would ensure sustainability by minimising waste and pollution while promoting the principles of a circular economy.

"There is a prospect to access untapped markets, enhance productivity, and gain cost advantages and competitiveness in international business by making SMEs green," he said. He added that customers in developed nations prefer environment-friendly and recyclable products, but there are financial and non-financial constraints to implementing green concepts in SMEs.

Salahuddin Mahmud, managing director (additional charge) of the SME Foundation, presided over the seminar. ■

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