

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES											
Week on week		As of Friday		Friday Closings				As on Thursday											
DSEX	2.14%	Gold	\$1,673.50	MUMBAI	2.32%	TOKYO	2.72%	SINGAPORE	1.90%	SHANGHAI	1.21%	USD	83.95	EUR	92.68	GBP	107.42	CNY	11.96
CSCX	2.51%	Oil	\$45.27									BUY TK	84.95	96.48	111.22	12.57			
	4,384.48		(per ounce)		37,576.62		20,749.75		2,960.98		3,034.51	SELL TK							

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DHAKA SUNDAY MARCH 8, 2020, FALGUN 24, 1426 BS starbusiness@thedailystar.net

Sanitary napkins still unaffordable for a large majority

AHSAN HABIB

The high price and a lack of awareness are the main reasons why as many as 80 per cent of the menstruating females in Bangladesh do not use sanitary napkins, leaving them susceptible to a myriad of health problems.

In 2014, about 14 per cent women used napkins, including the irregular users. Now, the percentage is about 20 per cent, according to industry insiders.

In India, the average price of a high-quality sanitary napkin is Rs 7.62 (Tk 9.14), whereas in Bangladesh it is about Tk 12.

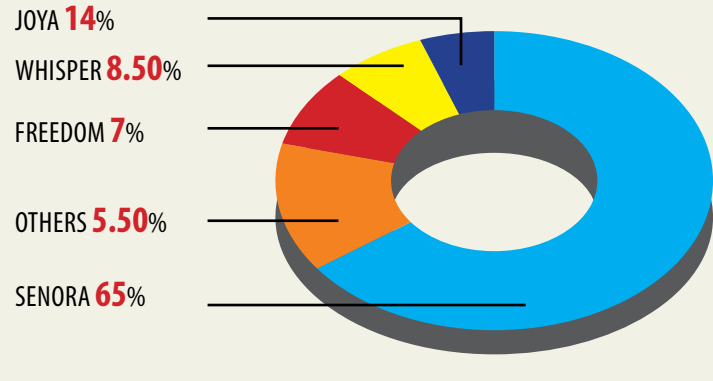
"Many people think it is an extra cost but they do not realise the health cost of traditional management of sanitary napkins is seriously lacking," said Sharmind Neelormi, a professor at Jahangirnagar University.

Naima Sultana, a student of the University of Dhaka, also feels the price is a deciding factor.

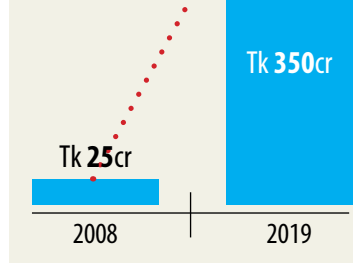
"In my household there are three women, so our total monthly cost is not insignificant."

Besides, women still feel shy about buying pads from shops,

SANITARY NAPKIN MARKET SHARE



THE RISE OF SANITARY NAPKIN MARKET IN BANGLADESH



which are almost always run by men, Sultana said, adding that awareness on the importance of sanitary napkins is seriously lacking.

"But people don't want to talk about the subject due to social taboo," said Mamunur Rahman, founder of Ella Pad, a low-cost sanitary napkin.

Still, people want a packet to carry sanitary napkin, so that no one can realise what he/she is carrying.

"Our first generation women are still advising their descendants to use cloth instead of sanitary napkins," Rahman said, while calling for large scale awareness

programmes to get women to embrace sanitary napkins.

He also called for policy support from the government to promote low-cost pad production.

Ella Pad uses textile scraps to make cheap sanitary napkins, and procuring the scraps is quite the challenge, Rahman said.

If the government subsidises sanitary napkins, the penetration will be much higher, Neelormi said.

The government though is not sitting still: imported pads have been carrying a 45 per cent supplementary duty for several years as part of a push to encourage local production.

Now, local sanitary napkin makers hold about 90 per cent of the market, which was almost import-based previously.

The overall market size of sanitary napkin rose to Tk 350 crore in 2019 from Tk 25 crore in 2008, according to the industry

insiders.

"Since the market is expanding, the price of sanitary napkins should get benefits of economies of scale by now," Neelormi said.

But that has not been the case.

"The price, in fact, is rising," she added.

Jesmin Zaman, head of marketing of Square Toiletries, begs to differ with Neelormi about price being the main deterrent for women using sanitary napkins.

"A woman needs only Tk 50 to manage a menstrual cycle. This is not too high as they spend more on cosmetics. Habit, awareness and price are the three reasons behind the low penetration."

With the view to expanding the use of sanitary napkins, Square Toiletries has rolled out a lower price pad named Femina from which it is not logging any profits, according to Zaman.

Coronavirus stands to wipe \$3b off Bangladesh economy

Finds an ADB analysis

STAR BUSINESS REPORT

Bangladesh's gross domestic product may contract by as much as 1.1 per cent in the hypothetical worst-case scenario of a significant outbreak of coronavirus in the country, said the Asian Development Bank (ADB) in an analysis.

That means, the novel virus, which is yet to arrive in Bangladesh, could wipe \$3.02 billion off the \$300 billion-plus economy.

In such a scenario, 894,930 jobs will be lost, according to the ADB.

The ongoing COVID-19 outbreak affects China and other developing Asian economies through numerous channels, including sharp decline in domestic demand, lower tourism and business travel, trade and production linkages, supply disruptions and health effects.

The magnitude of the economic impact will depend on how the outbreak evolves, which remains highly uncertain, the Manila-based lender said.

China is the biggest trading partner

of Bangladesh and the biggest source of raw materials. The world's second largest economy accounted for more than a fifth of the country's imports of \$56 billion in fiscal 2018-19, Bangladesh Bank data showed.

The world's second largest economy is also emerging as an export destination for Bangladesh.

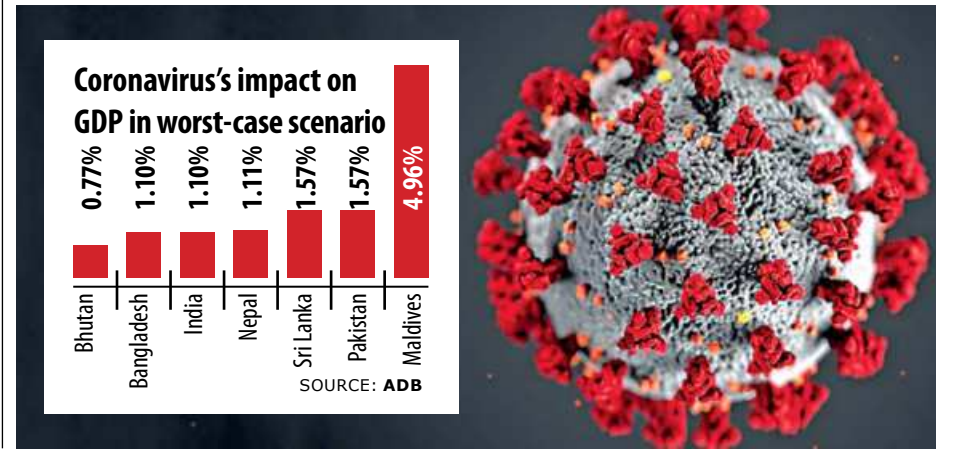
Bangladesh receives 5-6 lakh tourists every year and of them a major portion comes from China.

"There are many uncertainties about the COVID-19, including its economic impact," said ADB Chief Economist Yasuyuki Sawada in a statement.

This requires the use of multiple scenarios to provide a clearer picture of potential losses.

"We hope this analysis can support governments as they prepare clear and decisive responses to mitigate the human and economic impacts of this outbreak," he added.

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Interest rate caps poised to shrink NBR's collections

SOHEL PARVEZ

The state coffer's receipts from the banking sector, which accounts for about one-third of the National Board of Revenue's Large Taxpayers Unit's collections, are likely fall in the wake of interest rate caps on loans and deposits, said taxmen and bankers.

why bank's income will drop and so will their profits," he said, while welcoming the lessening of interest rates for industrial credit for giving a boost to industrialisation.

All the banks have downsized their budgets to cope with the new interest rates, Ahmed added.

Taxmen said the effect of interest rate reduction and subsequent drop in

according to taxmen.

On the surface it seems banks' income will decline for interest rate cuts, said a senior official of LTU seeking to remain unnamed.

But if the demand for loans increases because of the lower interest rates and the amount of defaulted loans improves, there would be no effect on tax collection, he added.

Tax collection from the banking sector will definitely reduce if there is no improvement in default loan situation, said Towfiqul Islam Khan, senior research fellow at the Centre for Policy Dialogue.

"If banks do not improve their efficiency, the new interest rates may affect profitability of the banking sector and the collection of corporate income tax from the sector," he said.

"It needs to be seen how the move impacts the overall economy of the country," he said, adding that if the economy is benefitted by the interest rate cuts, revenue collection is expected to rise.

The reduction of deposit rate though will hit the tax receipts on interest earnings from savings and fixed deposits.

Deposit growth in banks saw a steep decline in January, in a development that can be viewed as the direct impact of the capping of interest rate on savings to 6 per cent.

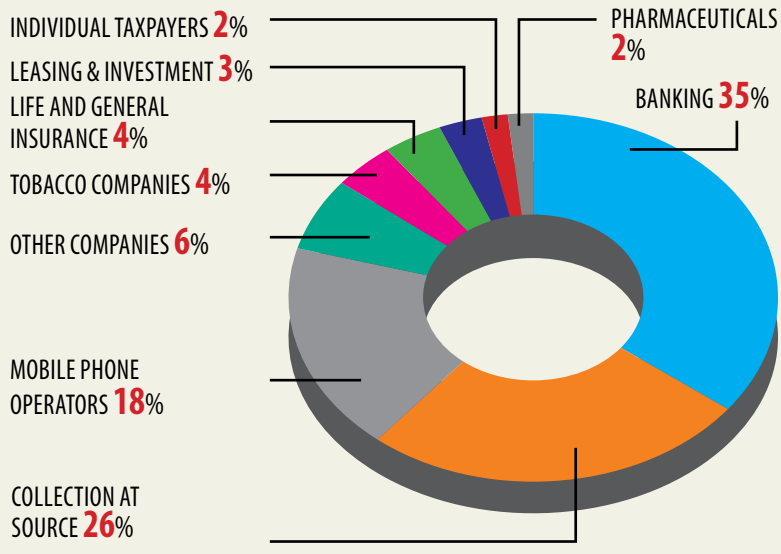
"Tax will decline proportionately in line with the drop in deposit rate," said a senior official of Tax Zone-1 that looks after collection of the withholding tax from interest incomes on depositors.

The NBR collected Tk 6,577 crore tax on interest income of saving and fixed deposits last fiscal year, up 9 per cent year-on-year, according to data from the field office.

The tax authority collects 10 per cent tax on interest earnings of depositors with Taxpayers Identification Numbers (TINs) and 15 per cent from those who do not have TINs.

Banks deduct the tax on behalf of the NBR while crediting the interest income to savers.

LTU'S COLLECTION IN FIRST HALF OF FISCAL YEAR



"This is going to reduce banks' operating profits," said Trust Bank Managing Director Faruq Mainuddin Ahmed, adding that the decline in banks' income will invariably lead to a reduction in tax collection.

Banks accounted for 35 per cent of tax collection of Large Taxpayers Unit, the main tax collector for income tax under the NBR, in the first half of the current fiscal year.

One of the reasons banks' profits will shrink is because of inclusion of consumer loans to the 9 per cent interest rate bracket, he said.

Consumer loans do not require any security and the recovery process is cumbersome and requires more manpower for supervision.

"If the interest rates on consumer loan are reduced to 9 per cent, no bank will be able to manage. This is

profitability of banks are likely to be visible in the next fiscal year as banks will pay tax based on their incomes in the 2019 calendar year.

The LTU is responsible for collecting tax from 439 big companies, including banks and insurances, along with 720 individuals.

Its total collection was nearly one-fourth the total income tax of Tk 73,000 crore collected by the NBR in fiscal 2018-19.

The LTU logged in Tk 17,420 crore last fiscal year and the amount of collection from the banking sector was 38 per cent of its total receipts.

Between July last year and February this year, the LTU collected Tk 10,200 crore and the contribution of banking sector continued to remain more than one-third of its total tax receipts,

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স্বপ্ন সীমাহীন
চলবো বাঁধাহীন
ঢাকা ব্যাংক নিয়ে এলো
নারীদের জন্য মোটরবাইক লোন

আজকের নারীর পথচলা আরো স্বচ্ছন্দ, সাবলীল ও নিরাপদ করতে 'আন্তর্জাতিক নারী দিবস-২০২০' সামনে রেখে নারীদের জন্য বিশেষ মোটরবাইক লোন সুবিধা নিয়ে এলো ঢাকা ব্যাংক।

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- মোটরবাইক মূল্যের ৯০% পর্যন্ত লোন সুবিধা
- লোনের মেয়াদ সর্বোচ্চ ৩ বছর
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