

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.94%	▲ 1.04%	\$1,972.50	\$45.50	▲ 0.10%	▼ 0.35%	▼ 0.88%	▲ 0.61%	BUY TK 83.95	98.27	109.94	11.99
4,873.17	8,384.94	(per ounce)	(per barrel)	39,113.47	23,208.86	2,519.81	3,350.11	SELL TK 84.95	102.07	113.74	12.60

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# Star BUSINESS

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## Customs valuation rules yet to take effect 20 years on

MOHAMMAD SUMAN, from Chattogram

The National Board of Revenue is yet to implement customs valuation (determination of the value of imported

goods) rules although those were formulated 20 years ago in a bid to help the country conform to international practices and curb illicit transactions in export and import.

Experts familiar with the matter said Bangladesh is yet to lay the groundwork for the rules and lacks adequate infrastructure and manpower to detect misdeclaration or other malpractices, for which the rules have not taken effect despite several attempts.

As per the General Agreement on Tariffs

and Trade (GATT) of the World Trade Organisation and the Customs Act-1969, the revenue authority of Bangladesh issued the rules in 2000 to determine the arm's length pricing of any transactions instead of using discretionary practices of determining prices.

Bangladesh being a member of the World Customs Organisation (WCO) also faces increasing international pressure to implement the rules.

All customs stations of Bangladesh follow transaction value, tariff value and minimum value methods for customs valuation but experts say the latter two methods contradict the rules.

According to the transaction value

method, the customs authority will collect revenue as per the products' prices mentioned in import documents.

The other two methods determine the minimum value of more than 700 imported goods, including cars, cosmetics, body spray, chocolate, lotion, coffee, food items and vehicle parts, by several special orders from NBR.

This means there is no scope for collecting duty less than the prices fixed by the NBR. Customs officials and importers said if prices of these goods drop in the international market, importers have to pay duty at the fixed price.

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## ADB to provide \$5.9b in 2021-23

Allocation is up 7pc from preceding three years

STAR BUSINESS REPORT

The Asian Development Bank (ADB) plans on providing \$5.9 billion in loans to Bangladesh over the next three years, which is expected to be \$400 million higher than what it finally gives out by the end of the preceding period.

In 2018 and 2019, the figures stood at \$2.2 billion and \$1.3 billion respectively and in the eight months of 2020, it amounted to \$1.2 billion. By December, ADB predicts giving out \$2 billion in total for 2020.

Moreover, separate loans might come in the form of project support for the coronavirus pandemic, said finance ministry sources. Some \$500 million in such additional programme support was provided this year.



### Major ADB projects for the next 3 years

- Healthcare improvement programme
- Agriculture productivity improvement
- Skills for employment
- Start-up venture capital fund
- SME development
- Renewable energy
- Scaling up energy efficiency and conservation
- Chattogram water supply
- SASEC international trade facilitation
- Dhaka-Sylhet road
- Dual gauging of Dhaka-Chattogram rail lines
- Chattogram-Cox's Bazar rail line
- Road Safety improvement

Apart from the \$5.9 billion, \$5.2 billion has been allotted as standby project assistance for Bangladesh in 2021-2023, according to its new Country Operations Business Plan (COBP).

According to the COBP, another \$35.6 million will be provided for technical assistance programmes.

COBP is said to be aligned with the government's eighth five-year plan (under preparation) and its core themes of promoting prosperity and fostering inclusiveness, ADB's Strategy 2030 and efforts to attain several Sustainable Development Goals.

ADB operations in Bangladesh prioritises, among others, health, digital education, social protection, skills development, transport corridor development and global value chains, regional and sub-regional cooperation, improved urban services, water supply and sanitation, rural development and high-quality electricity supply.

The standby list includes a pipeline of bankable projects which are said to respond to the country's needs and growing absorptive capacity and which are to be financed depending on the availability of additional lending resources.

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## Robi beats pandemic blues as its profit takes a leap in second quarter

FAHD MANNAN

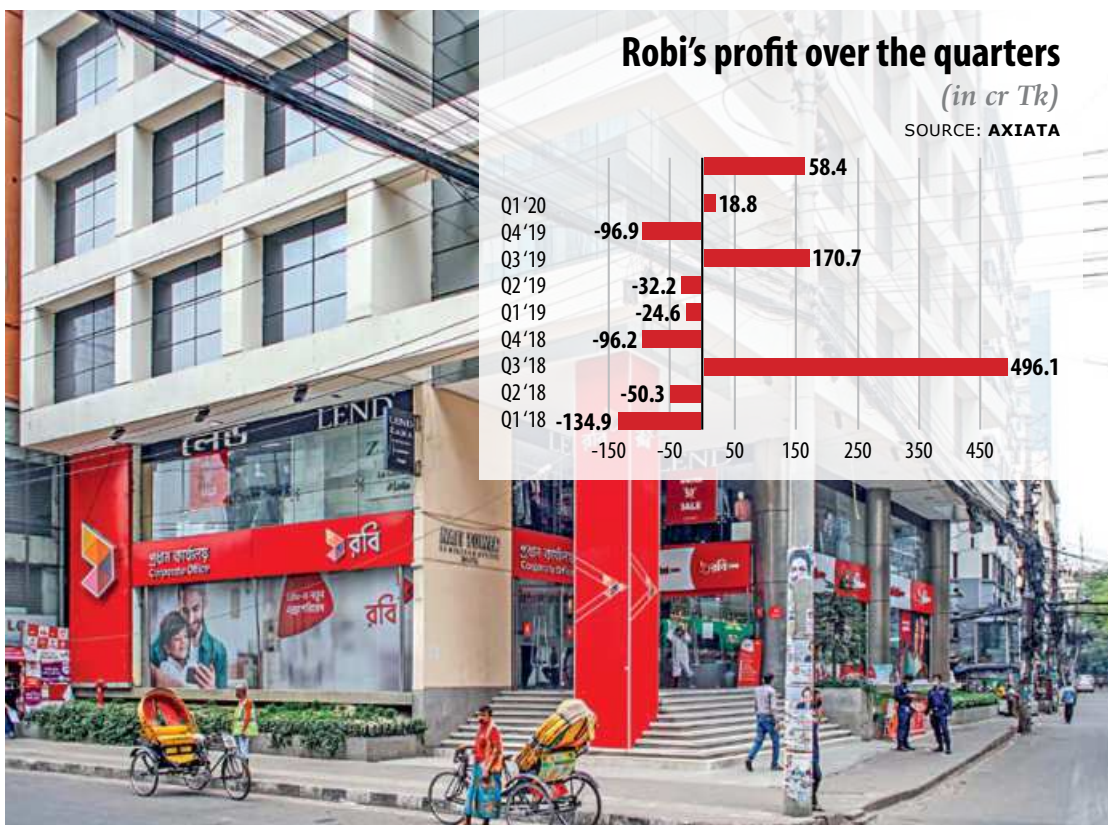
The second quarter of 2020 will possibly go down in Robi's annals as one of its pluckiest. The global coronavirus pandemic was at its ferocious worst then, so it was a given that businesses in all shapes and sizes would take a battering.

But Robi seems to have logged in solid numbers during the three months. A year earlier, the operator was in the losses. Now, it is not only in the black, but its profits trebled from the previous quarter.

"The quarter was unlike any other we have lived through," said Mahtab Uddin Ahmed, managing director and chief executive officer of Robi, in a press release yesterday.

The country's second-largest mobile phone operator cited the results as a mixture of cost optimisation drives and lower customer acquisition for the pandemic.

"We are reaping the fruits of a cost rationalisation drive that started in January," Shahed Alam,



the chief corporate and regulatory officer of Robi, told The Daily Star.

To be a formidable challenger in Bangladesh's mobile landscape, the operator, which is due to get listed, realised it needed to be far more efficient.

"Our razor-sharp focus on cost optimisation and less direct cost due to pandemic helped us to end the quarter with a decent profit," Ahmed said.

Alam expects the third-quarter results will be better given the operator would be leaner and meaner.

Another reason is the higher data consumption, which grew 18.9 per cent from the previous quarter and 23.7 per cent from a year earlier. Of its 4.8 crore active subscribers, 3.2 crore are internet users.

The operator is not happy though, saying that the pandemic-induced drastic data price reductions resulting in data revenue de-growth of 1.5 per cent compared with the previous quarter.

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## Higher investment in treasury bills saves the day for Rupali Bank



AHSAN HABIB

Despite a significant drop in interest income, Rupali Bank's profits jumped last year as higher investment in treasury bills and bonds saved the day.

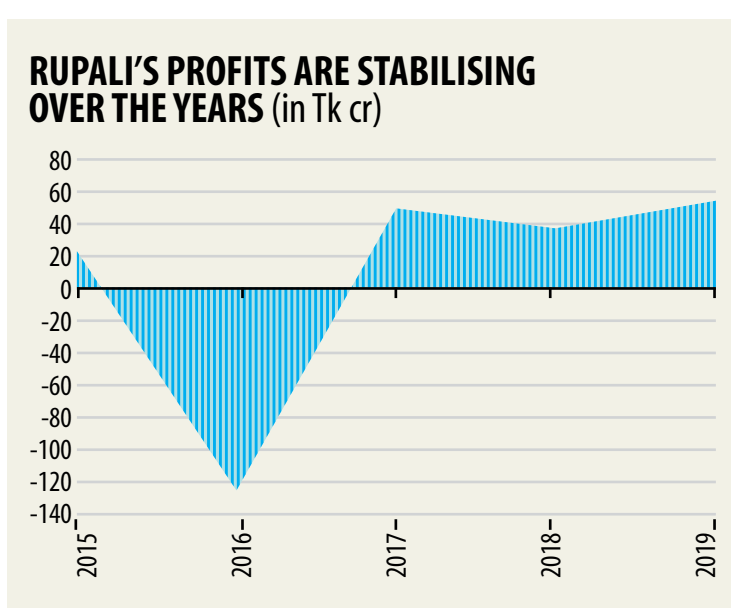
The lender's profits rose 44 per cent year-on-year to Tk 54.6 crore

in 2019, while its net interest income plunged Tk 250 crore, or 99 per cent, to Tk 1.88 crore during the time, according to its annual report.

Investment in treasury bonds and bills helped the bank stay clear of losses as income from the channel rose 35 per cent, to Tk 872 crore.

"As we fell in line with the government's decision to follow the single-digit interest rate from the very beginning, our interest income nosedived," said Md Shawkat Jahan Khan, the chief financial officer of the listed state-run commercial bank.

The government ordered all banks to bring down the interest rate on savings to 6 per cent and on loans to 9 per cent from last year.



Though private banks have started to comply with the decision from 1 April this year, Rupali has been offering reduced interest rate since 1 July last year.

"Due to the decision, our interest income plummeted about Tk 400 crore," Khan added.

To cope with the low-interest regime, the bank decided to increase its investment into treasury bills, bonds and corporate subordinated bonds, and such investment would be 25 to 30 per cent of total lending and investment, said another official of the bank preferring anonymity.

Last year, the bank increased its investment in government securities and other sectors by 26 per cent to Tk 10,364 crore.

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## Users, ISPs relieved as NBR cuts VAT rates

STAR BUSINESS REPORT

Both end-users and internet service providers could breathe a sigh of relief after the National Board of Revenue slashed the value-added tax ISPs pay while buying wholesale bandwidth and connectivity yesterday.

In a notice, NBR brought down the VAT at international internet gateways (IIGs), nationwide telecommunication transmission networks (NTNs) and international terrestrial cable (ITC) levels to 5 per cent from 15 per cent.

Thanks to the move, the ISPs will no longer move ahead with their plan to increase internet prices at the end-user level they had announced in July because of the government's long inaction.

Since July last year, ISPs have been paying 15 per cent VAT to the IIGs and another 15 per cent to NTNs, said MA Hakim, president of the Internet Service Providers Association of Bangladesh (ISPAB).

But they were able to charge 5 per cent VAT at the retail level. This meant VAT incidence for ISPs is 35 per cent.

The two-stage VAT increased the business cost by about 30 per cent and the VAT policy has been bleeding them for more than a year, ISPAB said in July.

Last year, ISPAB met with the top officials of NBR and the telecommunication minister, who assured the association of resolving the issues and requested it not to hike internet prices at the retail level.

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## Pandemic bites aromatic rice processors

SOHEL PARVEZ

Haji Nanna Biriyan, a popular restaurant in Old Dhaka that serves up a mouthwatering selection of sub-continental and rice-oriented dishes, has reopened its doors to customers nearly a month ago.

The turnout of customers is fair given the coronavirus jitters that keep haunting people, but the daily sales at the food joint still remain half the pre-pandemic time.

Three hundred kilometres northwest, in Chapainawabganj, the state of affairs for aromatic rice milling firm Erfan Group is more depressing.

The demand for aromatic rice, popularly known as chinigura, nosedived nearly 70 per cent to about 50 tonnes per day at this mill from 150-200 tonnes in the pre-pandemic days when life was normal, social festivals and gatherings were everyday affairs and the habit of eating out among urbanites was building up quite steadily.

"Hotels and restaurants are one of the main buyers of aromatic rice. Though lockdown has been lifted, most people still choose to stay put as the ruthless killer lurks in the open," said Md Erfan Ali, chairman and managing director of Erfan Group.



SAZZAD IBNE SAJJAD

The demand for aromatic rice nosedived as celebratory meals like biryani are not being consumed as widely as before.

The spread of the novel coronavirus has put a curb on ceremonies as people have been forced to maintain social distancing and avoid gatherings.

Subsequently, wedding parties, birthday celebrations, and other social, cultural and public events have been scarce, affecting the community and party centres, restaurants and other businesses like these.

As a result, the prices of aromatic rice dropped, Ali said.

The prices of locally produced chinigura rice declined to Tk 86-87 each kilogram now at wholesale from Tk 92 before the pandemic took over the country - a situation that can only be termed as a sharp contrast to the usual trend in the rice market.

The regularly consumed rice though is becoming dearer amid fears of crop losses for repeated floods, reduced yields and slow release of paddy by large farmers and stockists.

Bangladesh annually produces 18 lakh tonnes of aromatic rice and the majority of the grain is produced from the paddy planted in the rainy season, according to Md Shahjahan Kabir, director general of Bangladesh Rice Research Institute (BRRI).

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