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Outbound remittances remain largely untraceable

Complex work permit system for foreigners to blame

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Foreign nationals working legally and illegally in the local, foreign and multinational companies in Bangladesh send home billions of dollars every year, but there is no reliable data that can capture the true extent of the outbound remittance.

Officially, remittance outflow averaged only \$57 million per year in the last five years, data Bangladesh on a three-month from the central bank showed, far tourist visa and manage jobs lower than the assumption of the government, experts and analysts.

The official outflow of remittance was \$93 million in the last fiscal year, up from \$68 million a year ago.

Economists, business leaders and even ministers said on various occasions in the past that as much as \$5 billion is sent out of Bangladesh every year by foreign nationals working mostly in the export-oriented garment industry.

In May 2018, former finance minister AMA Muhith said, "This unrealistic and unbelievable," \$5 billion is taken mostly by

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prices of essential items.

immediately.

Edible oil processors yesterday agreed to

cut the prices of loose soybean and palm

oil by Tk 2 per litre at mill gates to give

some relief to consumers amid the rising

The new mill gate rate of soybean oil

"Edible oil processors announced to

The new rate will be effective

The decision comes at a time when the

soaring prices of essential commodities

and vegetables are straining the wallets of

consumers, especially the fixed and low-

potato to key spice onion, the prices of

most of the essential food items are now

below Tk 50 a kg in the kitchen markets in

From staple food rice, popular vegetable

Very few vegetable items are selling at

income groups and the poor.

higher than a month ago.

would be Tk 90 per litre and palm oil Tk

cut the prices considering the current

situation," said Commerce Minister Tipu

Munshi after a meeting with edible oil

importers and processors at his office.

from our neighbourhood."

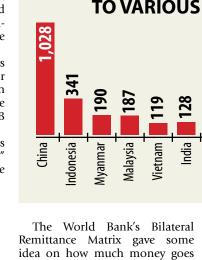
According to a study of the Transparency International Bangladesh (TIB) released in February this year, an estimated \$3.1 billion is siphoned out every year by foreign nationals employed in the country.

About 1.6 lakh foreigners became gainfully employed in Bangladesh after entering the country on a tourist visa, it said.

Typically, foreigners enter soon afterwards given the shortage of people with strong communication and management skills, which are in high demand in the garment sector, the secondlargest supplier of apparel in the world.

When their visa nears expiration, they go back to their home countries and return with a fresh tourist visa and continue in their previous jobs, the TIB alleged.

"The central bank data is said Iftekharuzzaman, executive Indians, Sri Lankans and nationals director of the TIB, on Tuesday.



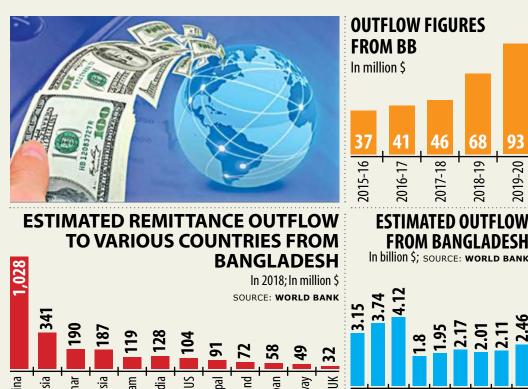
years and up 17 per cent from \$2.11 billion in 2017. In 2012, \$4.12 billion was remitted from Bangladesh, WB data showed. In 2018, China received the

highest \$1.03 billion in remittance from Bangladesh, according to the WB estimate, which arrived at the figure taking into account migrant The figure is the highest in six stocks, host country incomes, and

origin country incomes.

Indonesia is estimated to have received \$341 million from Bangladesh, Myanmar million, Malaysia \$187 million, India \$128 million, Vietnam \$119 million, the United States \$104 million, Nepal \$91 million, and Thailand \$72 million.

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will remain unchanged. "None would be allowed to sell bottled oil at higher than the maximum retail prices," he said, adding that the government's market monitoring team

Loose or non-branded cooking oil accounts for 65 per cent of the edible oil

A senior official of the Bangladesh Trade and Tariff Commission (BTTC) said the price of bottled edible oil would neither increase nor decrease.

He said both loose palm oil and soybean oil are sold in kilogram at the retail level. "We had recommended for a price

terms of litre," he said. Bangladesh annually requires 20 lakh

tonnes of edible oil and it has to import 18 lakh tonnes as domestic production is

and palm olein rose 20 per cent year-onyear to 18.30 lakh tonnes in the fiscal year 2019-20 from 15.30 lakh tonnes a year ago,

Private importers and processors brought in 16.9 lakh tonnes in the fiscal year 2017-18.

Mr Baker's bank accounts frozen for alleged VAT evasion

STAR BUSINESS REPORT

The VAT Intelligence has frozen the bank accounts of Mr Baker Cake & Pastry Shop on the allegation of evading value-added tax, said a top official yesterday.

The field office of the National Board of Revenue (NBR) also asked the banks to furnish account details of the baker to assess actual transactions.

"We have got two bank accounts of the firm and asked banks to freeze transactions temporarily. We will unfreeze the accounts if the company submits actual sales details to us," VAT Intelligence Director-General Moinul Khan said

"We have taken the step to stop the company from shifting funds from the accounts."

Khan said his office had found evidence of VAT evasion by Mr Baker. "We would be able to come to a figure on the evasion

after scrutinising transactions and other documents of the The move comes after a former bureaucrat in a post on

his Facebook account brought allegations against a branch of Mr Baker in Dhaka's Uttara about non-issuance of VAT chalans He requested NBR Chairman Abu Hena Md Rahmatul

Muneem to take steps, citing that the government was deprived of value-added tax although it was paid by Later, Muneem directed the VAT Audit, Intelligence and

Investigation Directorate (VAIID) to probe the allegation, according to a press release.



Prime Bank to get \$35m from IFC

Will support SMEs, companies hit by Covid-19

STAR BUSINESS DESK

International Finance Corporation is providing a \$35 million loan to Prime Bank to help support small and medium enterprises (SMEs) and companies affected by the Covid-19 pandemic.

The World Bank Group member expressed its belief that the loan would help preserve thousands of jobs in Bangladesh by enabling the private commercial bank to provide critical working capital to help small businesses continue their operations.

The SMEs comprise over 90 per cent of businesses in Bangladesh and employ over 20 per cent of the adult population, the IFC said in a statement.

The financing package is part of the IFC's \$8 billion global Covid-19 fast-track financing facility, aimed at helping companies stay afloat during the ongoing public

This investment comes under the Working Capital Solutions (WCS) programme of the Covid-19 response envelope, which provides \$2 billion globally to emergingmarket banks, enabling them to support struggling firms.

The International Development Association's Private Sector Window (IDA PSW) Blended Finance Facility is also supporting the IFC's WCS programme with a firstloss guarantee of up to \$215 million in eligible countries, including Bangladesh.

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ESTIMATED OUTFLOW FROM BANGLADESH In billion \$; SOURCE: WORLD BANK

idea on how much money goes out of the country in the form of remittance. The multilateral lender estimated that \$2.46 billion went out of the country in 2018, the latest year for which data is available.

one month as processors revised upwards or packaged soybean oil, consumed by

relatively higher income groups, edged up

go down by Tk 2 a litre in line with the cut

in the mill gate rate, said Biswajit Saha,

importer and processor in Bangladesh.

The retail price of loose edible oil should

slightly, according to the TCB

Edible oil prices cut by Tk 2 a litre

would monitor prices.

consumption in Bangladesh.

reduction in terms of kilogram, not in

Imports of oilseed, crude soybean oil according to the BTTC.

director for corporate and regulatory affairs at City Group, the leading commodity He said the price of bottled edible oil

Nilphamari farmers pinning hopes on early variety potato

The price of edible oil went up in the last by 7 per cent to Tk 82-84 a litre. Bottled

the rates on the ground of the soaring

loose soybean oil was Tk 92-97, up 4.4 per

cent from Tk 88-93 a month ago, market

prices data compiled by state-run Trading

Corporation of Bangladesh (TCB) showed.

Traders hiked the prices of palm oil

Yesterday, the retail price of each litre

prices in the international market.

Our Correspondent, Nilphamari

Farmers in Kishoreganj upazila are now passing busy times in cultivating highly profitable early variety potatoes, which are ready for harvest 30 per cent faster than other varieties and normally bear higher price tags

This potato variety can be harvested in 60 days after sowing seeds, much lower than the 90 days needed by other varieties, farmers in Nilphamari district said.

The early variety remains in the market for a short time and are normally sold at Tk 70-80 a kg. And this year, farmers believe the prices will be as high as Tk 100 per kg.

"This potato variety, despite being highly priced, is very popular among buyers because of its early availability and taste," said Habibur Rahman, the upazila's agriculture officer.

Yesterday, the cardinal and red

potatoes -- two traditional varieties which can be preserved throughout the year -- were sold at the local markets at Tk 40 and Tk 50 per kg.

During visits to different potato villages, producing Panialpukur, Durakuti, Nitai and Kalikapur, this correspondent found that farmers and labourers are sowing seeds, some are making drains in between rows for irrigation, some are hoeing the weeds while others are breaking earthen blocks with wooden

Traditional potatoes are usually sown in December and harvested in

Normally, the early variety potato seeds are sown in September but this year, floods have delayed the process by a month.

However, farmers believe that the delay will not be able to leave an kilogramme of potato at Tk 60," he impact on yield as they are taking extra care of the fields.

"This short-duration potato variety is helping us make double profits. We can now cultivate potato twice on same land in a season," said farmer Sabed Ali of Putimari village.

"At first we sow early potato in September-October and then we go for production with the traditional variety in mid-December.

"We are blessed as when we sell the early potato, farmers in other areas of the country can merely prepare land for sowing seeds," said Shamim Hossain Babu, another farmer of Durakuti village.

Farmer Yakub Ali of Kalikapur village said he sowed the early variety of potato on three bighas of land and

expects to get a yield of 90 maunds. "My total production cost will be Tk 75,000 and I believe I can sell the produce at Tk 2.20 lakh if I sell each



READ MORE ON B3 Women day labourers working in a potato field in Kalikapur village of Nilphamari.