

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | |
|----------|----------|-------------|--------------|---------------|-----------|-----------|----------|---------------|-------|--------|------|
| SDX | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | JPY |
| ▲ 0.07% | ▲ 0.11% | \$1,265.20 | \$50.41 | ▼ 0.18% | ▼ 0.64% | ▼ 0.12% | ▲ 0.95% | BUY TK 77.80 | 86.82 | 113.59 | 0.73 |
| 4,366.25 | 8,175.69 | (per ounce) | (per barrel) | 26,765.65 | 16,065.72 | 2,786.13 | 2,905.77 | SELL TK 78.80 | 90.22 | 116.99 | 0.76 |

ক্যাশ ওয়াকফ

ইহকালীন কল্যাণ ও পরকালীন মুক্তির হাতিয়ার

এসআইবিএল এর ক্যাশ ওয়াকফ ফিন
স্থাবর সম্পত্তির পরিবর্তে নগদ টাকায়
ওয়াকফ করার সুযোগ -

যে কোন প্রয়োজনে ০৯৬৯২০০৯২২



star BUSINESS

DHAKA THURSDAY JUNE 23, 2016

Don't cut interest rates on savings certificates

Matia says

STAR BUSINESS REPORT

The government should not reduce the interest rates on savings certificates, Agriculture Minister Matia Chowdhury said in parliament yesterday.

Taking part in a discussion on the proposed budget for 2016-17, Matia also called for introducing elderly allowance.

"There are millions of people including widowers, retired persons, lower and middle class people who do not get any assistance from the government but depend on the income from savings certificates. The government, therefore, cannot discourage selling of savings certificates."

The government should not reduce the rate considering the millions of people who are dependent on its earnings, she added. Matia also refuted the allegation that the lending rate in commercial banks is high due to a high rate of interest on savings certificates.

There is discrimination between the public servants and common people in the case of interest rate on savings certificates, she added.

"There are two types of interest rates -- the government employees get higher interest rate, but the common people will get a lower interest rate. Why this discrimination? This discrimination should not exist."

Budget not feasible: WB



World Bank Country Director Qimiao Fan speaks at a briefing on budget, at the lender's Dhaka office yesterday. WB Lead Economist Zahid Hussain was also present.

STAR BUSINESS REPORT

The World Bank yesterday questioned the feasibility of the proposed budget, saying the revenue growth target has clearly been overestimated.

The government has set a revenue target of over Tk 2.42 lakh crore, which is 37.5 percent more than the revised earning for the outgoing year.

Bangladesh achieved the highest revenue growth in fiscal 2007-08, of 26 percent -- when a military-backed caretaker government was in power.

"The size of the budget won't matter. But, such an unlikely increase in revenue poses a challenge on the feasibility of the budget," said Zahid Hussain, lead

economist of the WB's Dhaka office, at a media briefing on the proposed budget.

The WB economist said the high revenue growth target was not supported by revenue increasing reforms.

Moreover, a lot of VAT and customs rates reduce predictability for firms and open the door for increased unproductive lobbying.

He said the 100 percent increase in package VAT for small traders is on the high side. The VAT reforms continue to elude despite the passage of the law four years ago.

Qimiao Fan, country director of WB for Bangladesh, Bhutan and Nepal, also spoke.

The WB analysis also found that

Bangladesh is gradually shifting towards costlier sources of funds to make up its budget deficit without giving much effort to utilise low-cost foreign financing.

Consequently, the interest burden is getting bigger.

Interest payments account for 11.7 percent of the total budget worth over Tk 3.40 lakh crore for fiscal 2016-17 and the allocation is the third highest after education and public administration.

On the other hand, as of May foreign financing worth \$20.58 billion, which is half of the country's latest budget, remains unutilised, even though the interest rate on them would be 0.6 percent against 9.6 percent for domestic debt.

FBCCI seeks revision of budget proposal on income tax, VAT

STAR BUSINESS REPORT

The apex trade body has once again demanded revision of the finance minister's budget proposal on income tax, customs duty and value-added tax for the next fiscal year.

Subsequently, the Federation of Bangladesh Chambers of Commerce and Industry has submitted a set of recommendations to the National Board of Revenue that it believes are necessary to accelerate economic development through industrial-

isation and investment.

The FBCCI, as part of the major recommendations, called for reinstating the 0.6 percent tax at source on export, reducing the corporate tax to 10 percent from the proposed 20 percent for garment sector and increasing the tax-free limit to Tk 3 lakh on individual income.

It also urged the government to increase the limit of turnover tax from Tk 80 lakh to Tk 5 crore and re-fix the turnover tax at 0.5 percent instead of 3 percent.

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Telcos getting back customers

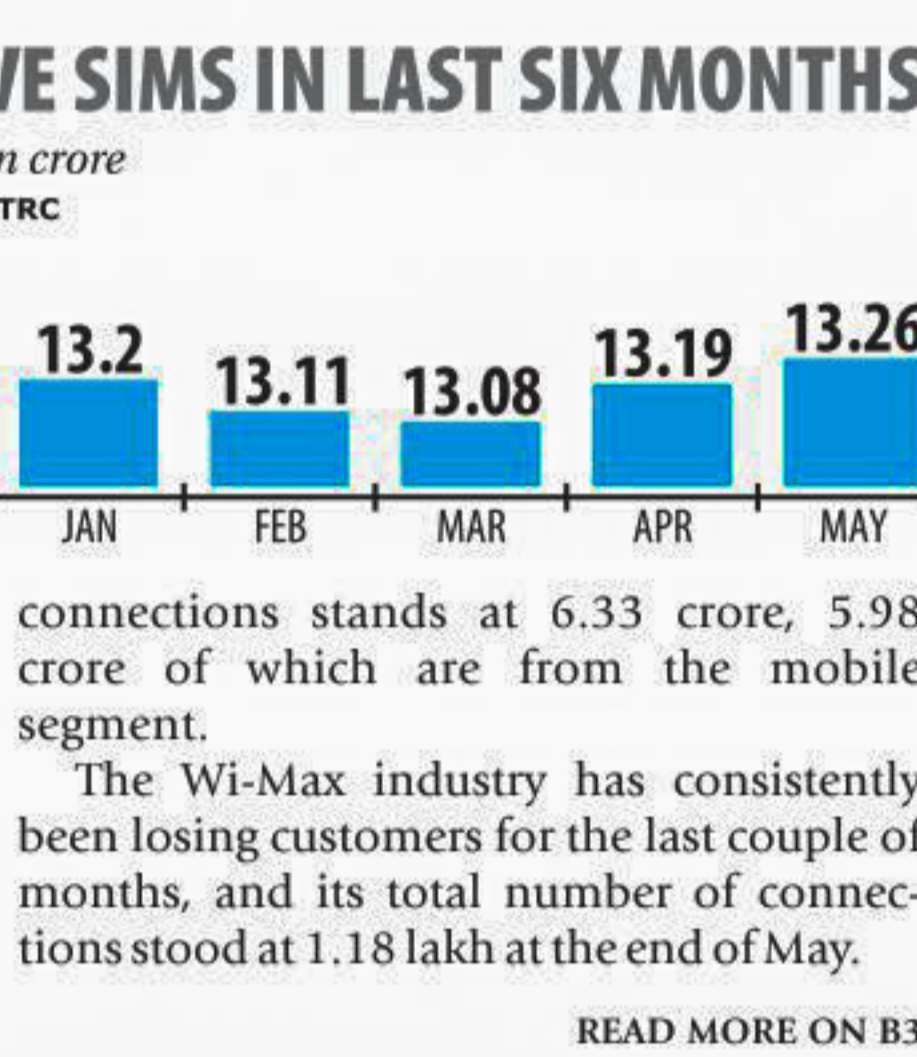
Subscriber base fell earlier due to biometric verification

STAR BUSINESS REPORT

The mobile phone industry is seeing a rise in its customer base after it got hit in the first three months of the year.

The total number of active SIMs by the end of May stood at 13.26 crore, according to the telecom regulator's monthly report. The industry added 11.68 lakh new mobile internet connections in May, just prior to the end of the SIM re-registration process, according to a report of Bangladesh Telecommunication Regulatory Commission.

The operators added seven lakh new connections in May as well, said the report. As of May, the total number of internet



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From right, Rashed Maqsood, Citi country officer for Bangladesh, Wahiduddin Mahmud, an economist, and Zahida Fizza Kabir, executive director of SAJIDA Foundation, attend a press conference at The Daily Star Centre in Dhaka yesterday.

Citi launches 2016 awards for small entrepreneurs

STAR BUSINESS REPORT

Citi Foundation, the philanthropic arm of Citigroup, yesterday launched Citi Microentrepreneurship Awards for 2016 as part of its continuing efforts to promote micro-entrepreneurs in Bangladesh.

The purpose of the awards is to put the spotlight on the local micro-entrepreneurs, who are helping uplift the economic fortunes of their communities and generating greater opportunities, said Wahiduddin Mahmud, chairperson of the awards' advisory council, at a press briefing at The Daily Star Centre in Dhaka.

One of the key features of this year's awards is that a new category has been added to the existing five categories, and that is -- best youth micro-entrepreneur, he said.

From this year, banks and financial institutions that provide microcredit can also apply for the awards in the institutional categories, he added.

Any enterprise, whether micro or small, should be grown gradually -- from micro to small, small to medium and then medium to big, Mahmud said.

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Hasina slams microcredit lenders for profit-mongering

She opens 100 branches of Palli Sanchoy Bank

UNB, Dhaka

The country's microcredit receivers have failed to come out of the vicious cycle of credit due to the profit-mongering attitude of microcredit lenders, Prime Minister Sheikh Hasina said yesterday.

Under such circumstances, the government has launched the 'One House One Farm' project, which was initially undertaken as a pilot project, she said.

The premier spoke after inaugurating 100 branches of Palli Sanchoy Bank (rural savings bank) through a videoconference from her official residence at Gono Bhaban in the capital.

The bank has been created by converting the 'One House, One Farm' project taken by the Department of Rural Development and Cooperatives in 2009 for five years, to make every rural house into an agricultural farm.

Hasina said she used to be an advocate of microcredit, but with the passage of time she had noticed that the microcredit receivers could not take long-term programme as they had to remain busy in repaying their loans.

"As a result, the poor remained poor. They had to sell properties to repay their loans with interests and some even had to commit suicide," she said.

She said the main objective of the bank was to save poor people from the vicious cycle of the so-called microcredit, which never helped people to come out of the poverty trap. The new branches of the bank will encourage people in making savings and investment, playing role in alleviating poverty and boosting the rural economy, Hasina said.

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Profit of H&M falls 17pc in Q2

REUTERS, Stockholm

Profit at Swedish fashion retailer Hennes & Mauritz fell 17 percent in the second quarter as cold weather hit sales of its spring clothes and a strong dollar increased its costs.

H&M, which buys the bulk of its clothes in Asia on U.S. dollar contracts while selling most of them in Europe, is more exposed to the U.S. currency than Zara owner Inditex which makes more in-house, either in or near Europe.