

SIBL Islamic Credit Card
COVERS THE WORLD AROUND YOU

* ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬৯২০০৯২২

Star BUSINESS

DHAKA SUNDAY JULY 8, 2018, ASHAR 24, 1425 BS • starbusiness@thedailystar.net

NBR receipts grow 20pc

STAR BUSINESS REPORT

The National Board of Revenue missed its collection goal in the just concluded fiscal year despite logging about 20 percent growth in receipts, said an official citing provisional figures.

The final collection could be Tk 205,903 crore in 2017-18 against the revised target of Tk 225,000 crore, said the official, requesting anonymity.

This was the sixth year the NBR missed both the revised and the actual revenue mobilisation targets set by the government.

The official said the NBR had expected some state agencies, especially Petrobangla, to pay arrears amounting to Tk 42,000 crore but none came forth.

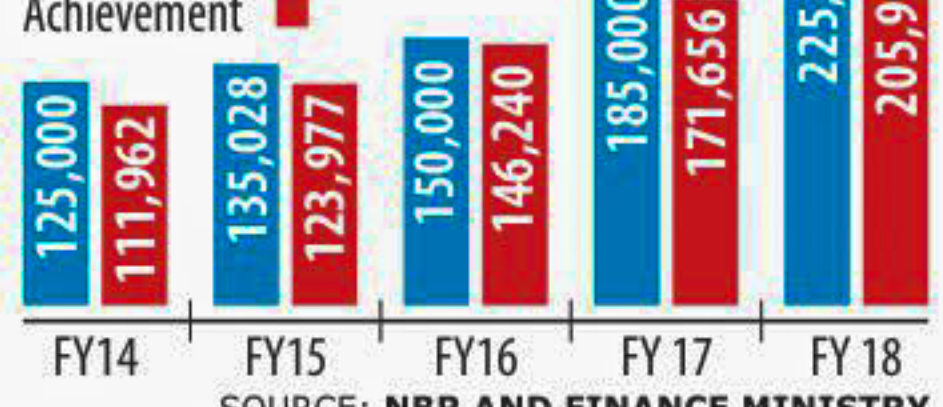
In 2017-18, VAT and income tax accounted for 70 percent of the overall collection.

Collection of VAT, a type of consumption tax collected mainly from domestic trade and economic activity, grew 23 percent to Tk 78,335 crore from a year ago, according to provisional data.

Income tax receipts soared 22 percent to Tk 66,003 crore in the last fiscal year while

TAX COLLECTION VS REVISED TARGET

In crore taka



SOURCE: NBR AND FINANCE MINISTRY

collections from import tariff rose 13 percent to Tk 61,565 crore, said the official.

The government has given the NBR the task of collecting Tk 296,201 crore for the new fiscal year, up 43 percent from the provisional collection in the last fiscal year.

The Centre for Policy Dialogue, in its analysis on budgetary measures, called the target ambitious as the tax authority failed to meet the goals in previous years.

The think-tank said the budget would rely on individual income tax and VAT at domestic level to collect the extra revenue. Also there was no reflection of revenue mobilisation-related reforms, it added.

Mutual funds trading below face value

Inefficiency of fund managers to blame

AHSAN HABIB

Most of the mutual funds have been trading at lower than their face value for several years now as poor performance and mismanagement by fund managers spoiled investors' appetite.

A mutual fund is an investment fund that gathers capital from a number of investors to create a pool of money that is then re-invested into stocks, bonds and other assets.

Investors are effectively unit holders in the fund in proportion to their investment. Funds that are closed must be liquidated within a certain timeframe.

Of the 37 close-end funds on the premier bourse, 31 are trading below their face value, according to data from the Dhaka Stock Exchange.

Even more, funds are trading on the price that is 34.3 percent lower than their net asset value (NAV), according to IDLC Investments. Investors normally buy mutual funds at around their NAV.

"This sector is full of vagueness and mismanagement, so investors have lost their confidence in it," said Mizanur Rahman, a professor of Dhaka University's accounting and information department.

READ MORE ON B3

Private credit growth continues to fly low

AKM ZAMIR UDDIN

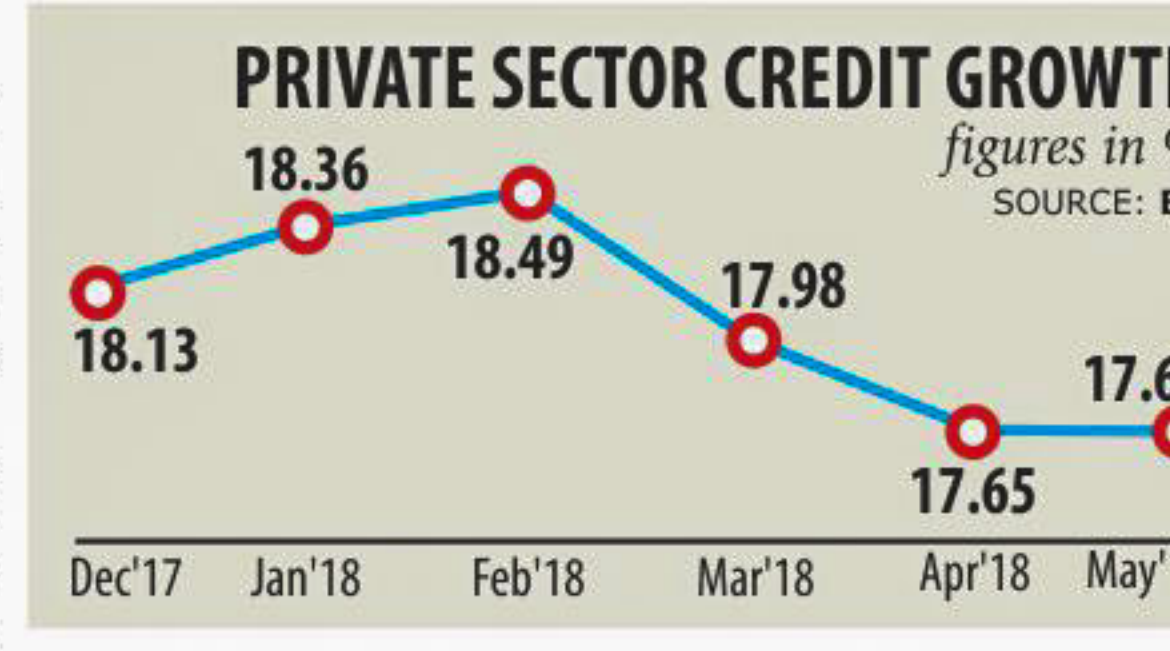
Private sector credit growth continued its downward course in May after many banks sincerely adopted a 'go slow' policy in disbursing fresh loans.

In May, private sector credit growth stood at 17.60 percent, down from 17.65 percent registered a month earlier but still higher than the central bank's target of 16.30 percent set for the second half of fiscal year 2017-18.

Analysts said the growth would come down further in the coming months as banks would disburse loans cautiously ahead of the national election, which is scheduled for the year-end.

The credit growth is likely to be stagnant in the near future because of the decision taken by banks to bring down the lending rate to a single digit, said Syed Mahbubur Rahman, chairman of the Association of Bankers, Bangladesh, a platform of the managing directors of private banks.

On June 21, the Bangladesh Association of Banks, a forum of sponsors of private banks, decided to lower the interest rates on



lending and deposit to 9 percent and 6 percent respectively from July 1.

"Banks are now observing the trend of their deposit mobilisation. They may take the decision to disburse loan considering their liquidity position," said Rahman, also the managing director of Dhaka Bank.

Banks earlier took on an aggressive lending approach, forcing the central bank to lower the loan-deposit ratio ceiling to 83.5 percent from 85 percent from March next year.

Banks are tightening credit activities to bring down their loan-deposit ratio as per the central bank's directive, said MA Halim Chowdhury, managing director of Pubali Bank.

READ MORE ON B3

Qubee shrinks business amid competition

MUHAMMAD ZAHIDUL ISLAM

Qubee is handing over 20,000 individual subscribers to its main competitor under a revenue sharing model as the wireless broadband service provider is seeking to reshape its business to survive the onslaught of high-speed mobile internet.

The second largest WiMax operator signed an agreement with market leader Banglalion Communications Ltd before Eid-ul-Fitr, and the customer handover procedure will be completed by July 15, said a top official of Qubee.

Under the agreement, Qubee will receive 30 percent of the revenue its customers will generate for Banglalion in the first of its kind arrangement in Bangladesh's telecom business, according to industry people.

"We are focusing more on enterprise business and are upgrading our network to long-term evolution (LTE) technology. That's why we are making this arrangement," said Proteek Kundu, chief commercial officer of Augere Wireless Broadband Bangladesh Ltd, the owning company of Qubee.

Kundu said WiMax technology is becoming obsolete globally and no vendors produce any equipment that support wireless broadband service.

"LTE is a future technology, so we are going to introduce it."

READ MORE ON B3

Foreign aid in pipeline: \$44b

REJAUUL KARIM BYRON

Unused foreign aid has reached a new high of \$44.51 billion despite a record disbursement of development assistance in the last fiscal year, data from the Economic Relations Division showed.

FOREIGN AID FLOW

In billion \$



The ERD officials said the amount of the unused foreign aid piled up thanks to the commitment of a huge amount of funds as well as slow pace of implementation of projects affected by faulty design, lengthy approval process and complexity in land acquisition.

According to the ERD data, the foreign aid in the pipeline was \$35.75 billion on June 30, 2017 and rose 24.50 percent to \$44.51 billion a year later. ERD Secretary Kazi Shofiqul Azam told The Daily Star, "Foreign aid has to be in the pipeline. Otherwise how can we spend it?"

The ministries and divisions could utilise a record amount of foreign aid of \$6.1 billion in the just concluded fiscal year. The government has targeted to disburse \$7.5 billion in 2018-19.

"It is not possible to expedite the utilisation of foreign aid beyond this," Azam said.

READ MORE ON B3

According to the ERD data, the government utilised \$3 billion to \$3.6 billion in foreign aid per year in the four years from 2012-13 to 2016-17.

Aid utilisation almost doubled in the last fiscal year from \$3.56 billion in 2016-17. Azam said the government has received billions of dollars in aid commitments from Russia, China and India, which significantly raised the amount of external funds in the pipeline.

Russia committed \$11.38 billion for the Rooppur nuclear power plant project. Of the funds, \$1 billion was spent in 2017-18 and the rest will be spent by 2023-24, the year when the plant is supposed to be fully implemented.

Before 2009-10, Bangladesh used to receive aid commitment of \$1 billion to \$2 billion every year. It jumped up to \$5 billion from 2009-10. The government received the highest \$7 billion aid commitment until 2015-16.

The record broke in 2016-17 when the commitment made reached \$17.96 billion, which included the fund for the Rooppur nuclear power plant project.

In the last fiscal year, the country received a commitment of \$14.86 billion, with China and India accounting for \$4.35 billion and \$4.5 billion respectively.

In practice, when a loan agreement is signed with a development partner it is considered commitment, meaning the fund is ready for utilisation and the unused portion of a fund is added to the pipeline.

For instance, during his visit to Bangladesh in 2016 Chinese President Xi Jinping promised \$21.5 billion in soft loans for the country. But, since no loan agreement was signed at the time, the sum did not enter the log for foreign aid commitment made during the year.

BASIS launches second edition of ICT award

STAR BUSINESS REPORT

The Bangladesh Association of Software and Information Services (BASIS) yesterday launched a second national ICT award for 2018 to recognise outstanding achievements of individuals and entrepreneurs.

Companies, students and SMEs interested in the 105 awards in 35 categories can submit nominations by July 20, the BASIS announced at a press conference at its office.

READ MORE ON B3

MTB AIR LOUNGE WORLD CUP MANIA

Score a Goal and get access to

AIR LOUNGE AN OASIS OF PEACE

MTB

RANGS TOSHIBA

হুট SUMMER COOL অফার এসি-তে

এসি কিনুন ব্যাংকস জেনিবা থেকে আর উপভোগ করুন আকর্ষণীয় ছাড়!

TOSHIBA TOSHIN Panasonic GENERAL 16607

ALAMIN TONMOY BARIDHARA

"SPECIAL OFFER" GET A FAMILY TOUR

- ▶ Adjacent to The Park
- ▶ More Than 1 Katha Land for Each Apartment
- ▶ 3 Car Parking for Each Apartment
- ▶ 3500 Sft
- ▶ Single Unit Apartment

Call Us : 01730 027923 01730 027921

Shamsul Alamin Real Estate Ltd.

Corporate Office: Alamin Centre, 15th Floor, 25/A, Dilkusha C/A, Dhaka-1000. Banani Office: House 10, Road 22, Block-K, Banani, Dhaka-1213.

Conditions Apply

better home... better life...

www.midlandbankbd.net

MDB Mobile App

BRING YOUR BANK INTO YOUR SMARTPHONE

In the era of digital life, you can now keep at par with the fast-moving world with MDB mobile app through your android/iphone.

- Account Statement
- Internal Fund Transfer
- Inter Bank Fund Transfer
- Cheque Book Request
- Mobile Top-up Service
- Credit Card Bill Payment
- Utility Bill Payment

With Midland Bank, your smartphone just got smarter.

Contact Centre 24/7 16596

midlandbank bank for inclusive growth