

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week on week	As on Friday	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
DSEX 0.91% 5,380.79	CSCX 1.08% 9,984.78	\$1,397.50 (per ounce)	\$64.23 (per barrel)	0.99% 39,513.39	0.20% 21,746.38	0.16% 3,366.81	0.19% 3,011.06	BUY TK 83.50 SELL TK 84.50	93.24	104.21	0.76

এসআইবিএল  
**সুপার ডিপিএস**  
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প্রাক্কলিত মুনাফা:

৩ বছর	৫ বছর	১০ বছর
৯.২৫%	৯.৫০%	১০%

ইসলামী শরীয়া'র এর মূদালাবা নীতির ভিত্তিতে পরিচালিত।

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## Cement price rises Tk 50 per bag

Manufacturers blame tax measures, gas price for the hike

**JAGARAN CHAKMA**

The retail price of each 50-kg bag of cement edged up 12 percent, or Tk 50, to Tk 460-470 -- a development that will push up construction costs, be it the government's mega projects or private buildings.

The correspondent visited half a dozen shops in Uttara, Mirpur and Tejturi Bazar in Dhaka and found the price of cement, a vital material for all kinds of physical construction, has been on the rise since last week.

Cement manufacturers attributed the price



hike to the recent rise in gas price for industries and their captive power generation and tax measures imposed on import of raw materials used to produce the construction material. According to new tax measure, cement makers have to pay 5 percent advance income tax (AIT) to import raw materials and there is no scope to adjust the tax at the end of the year.

Until last fiscal year, cement manufacturers paid 5 percent AIT for raw material imports and the tax was adjustable.

In addition, there is another 5

percent advance tax (basically VAT), which cement makers will have to pay while importing raw materials and other required ingredients.

The new tax measures and gas price hike have caused a price rise of Tk 53 for a 50-kg bag, according to the Bangladesh Cement Manufacturers Association (BCMA).

"Some brands adjusted the price on July 1, the first day of the fiscal year," said Mohammed Alamgir Kabir, president of BCMA, adding that manufacturers had no other alternative or else they would have to incur heavy losses.

Of the total price hike, Tk 42 is for tax and VAT measures and Tk 11 for gas price hike, according to BCMA's assessment.

Kabir is apprehending that the impact of the price hike may fall on the housing sector and the government's ongoing infrastructure projects directly. The government's development expenditure will increase and rural consumers will suffer the most due to this price increase, said Manwar Hossain, managing director of Anwar Cement.

## Banks contributing to deepening inequality

Analysts say

**STAR BUSINESS REPORT**

Banks in Bangladesh are contributing to the rise in inequality as they collect deposits from people from all walks of life but give loans to only a few, analysts said yesterday.

"There is a mechanism to get financing from banks and it deprives small entrepreneurs. This has widened the inequality in the country," said Hossain Zillur Rahman, a former adviser to a caretaker government.

AB Mirza Azizul Islam, also a former adviser, echoed Rahman, saying banks are reluctant to set up branches in rural areas, a tendency that limits grassroot entrepreneurs and businesses' access to formal financing.

They spoke at the launch of the Banking Almanac 2017 at the National Press Club auditorium in Dhaka.

A number of speakers said lenders carry out campaigns to mobilise deposits from

people from all walks of life, but they hardly bankroll to marginalised entrepreneurs.

Rahman said the banking sector has a role in taking the country forward, but it is inflicted by various problems.

The sector burdened with non-performing loans (NPL) is going through a liquidity crisis and charges higher interest rate, he said.

At the same time, they are making a robust operating profit, which is contradictory, the economist said.

"Corporate governance should be strengthened to ensure people's trust in the financial sector."

Rahman also said the country needs financing to keep the momentum of industrialisation and growth and banks are still the core sector to cater the funds. But there is a problem in providing long-term financing with short-term deposits, he said.

## Aus cultivation unlikely to expand

Low paddy prices deterring farmers

**SOHEL PARVEZ**

Low prices of paddy and inadequate rainfall are set to affect the expansion of aus paddy cultivation, frustrating the government's efforts to popularise the farming of the staple this season through incentives to growers.

The Department of Agricultural Extension (DAE) had earlier set the target of ensuring plantation of the summer rice crop on 13.66 lakh hectares this season.

But until Wednesday the crop has been planted on 10.98 lakh hectares, which was 4.38 percent below the plantation area achieved in the

previous aus season, according to data from the DAE.

Officials said they would count rice cultivation under aus area until the middle of July.

"We expect that acreage will exceed last year's level," said Md Abdul Mueyed, director of the DAE's field services wing.

Aus area has been rising since fiscal 2016-17 thanks to incentives from the government.

Thanks to availability of monsoon water farmers do not have to irrigate fields during aus season and in so doing end up with lower production cost than the irrigation-basedboro

paddy, officials said.

This year, the government provided Tk 40.18 crore worth of incentive to 4.59 lakh farmers. Each farmer will get 5 kilograms of seeds, 15 kg of diammonium phosphate (DAP) and 10 kg of muriate of potash (MOP) for cultivation on each bigha.

Last year the agriculture ministry gave Tk 39 crore of incentive to 2.02 lakh growers, according to Mueyed.

Yet, the DAE is unlikely to achieve its target.

"It appears that many farmers are reluctant to grow Aus. Low rainfall is another reason," he said.

## Revenue collection target realistic given GDP growth

NBR chairman says

**STAR BUSINESS REPORT**

The revenue collection target set for the current fiscal year is achievable but evasion and payment of less than the actual amount of tax keep the collection lower, said the head of the National Board of Revenue yesterday.

"The target we set is achievable given the existing economic activities in the country. But, the problem is that the tendency to pay less or no tax

is more intense in our country," NBR Chairman Md Mosharrar Hossain Bhuiyan said.

His comments came at a seminar on Finance Act 2019 vis-a-vis the budget for fiscal 2019-20 and the new VAT policy and its implementation process, organised by the Institute of Chartered Secretaries of Bangladesh at the Samson H Chowdhury Centre of Dhaka Club.

The NBR has been assigned to collect Tk 325,000 crore in tax this

fiscal year and the target is 40 percent higher than the actual collection of fiscal 2018-19.

The higher target was set considering the accelerating economic activities in the country.

"Economic activities have increased a lot. A higher number of jobs has been created. Industries also registered growth. Considering all these factors, more tax should come," Bhuiyan said.

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### Seminar on financial literacy begins tomorrow

**STAR BUSINESS REPORT**

A four-day regional seminar on financial literacy will begin in Dhaka tomorrow.

Bangladesh Securities and Exchange Commission (BSEC) and the Asian Development Bank (ADB) will jointly organise the event at Pan Pacific Sonargaon Dhaka.

18th Bangladesh Business Awards

AWARDING EXCELLENCE IN BUSINESS

**Congratulations!**

Heartiest congratulations to Mrs. Qamrun Nahar Zahir, the Chairperson of Ananta Apparels Ltd., for being awarded as the "Outstanding Woman in Business" at the 18th Bangladesh Business Awards. Her outstanding contributions for this nation have been truly inspiring.

Prime Bank is extremely fortunate to be part of her journey. It is our belief, her remarkable achievements will continue to inspire the women entrepreneurship in Bangladesh.

**Prime Bank**

**Congratulations!**

**Congratulations!**

We congratulate our honorable Chairman, Mr. Azam J Chowdhury on receiving the prestigious 18th Bangladesh Business Awards as the "Business Person of the Year". This achievement recognizes his nation building role in sectors including Energy, Power, Tea, Mining, Real Estate, Banking, Insurance, Finance and Shipping which has revolutionized the business landscape of Bangladesh.

We wish him the very best in all his future endeavors.

**Prime Bank**