

STOCKS		COMMODITIES		As of Friday		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil			MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▼ 1.61%	▼ 1.59%	\$1,458.40	\$64.39			▼ 0.82%	▲ 0.23%	▲ 0.65%	▲ 0.43%	BUY TK 83.95	92.01	109.67	0.75
4,596.00	8,485.30	(per ounce)	(per barrel)			40,445.15	23,354.40	3,194.71	2,912.01	SELL TK 84.95	95.81	113.47	0.79



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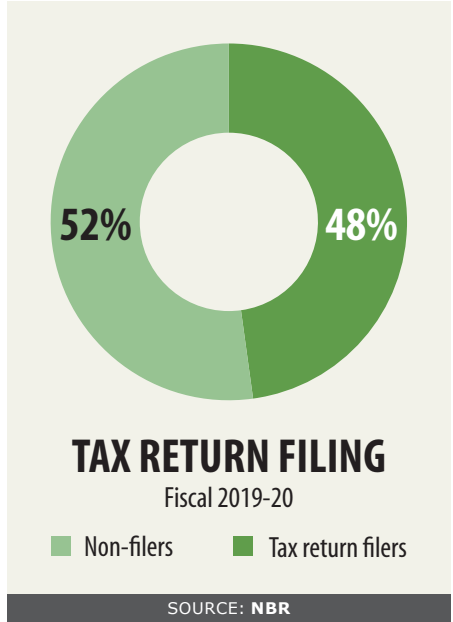
BUSINESS

DHAKA MONDAY DECEMBER 9, 2019, AGRAHAYAN 24, 1426 BS starbusiness@thedailystar.net

NBR to hunt down non-filers of tax returns

STAR BUSINESS REPORT

The National Board of Revenue has asked its field offices to track the people who have not submitted tax returns this year despite



having taxable income, said its Chairman Md Mosharraf Hossain Bhuiyan yesterday. “We have directed our officers to contact those who have Taxpayer Identification Numbers (TIN) and taxable income but have not furnished returns. I have asked to ensure return submission and tax payment

by those non-filers,” he said.

Only 22 lakh, or 48 percent, of the 46 lakh TIN-holders submitted tax returns this year.

He said his office has already discussed the issue on non-filing of income tax returns.

Bhuiyan was speaking at a press briefing at his office to announce programmes aimed at observing the Value Added Tax Day and VAT Week.

The NBR will honour top VAT-payers for fiscal 2017-18 apart from organising rally and other awareness-raising campaigns on VAT, the biggest source of revenue for the tax administration.

The number of total tax returns grew 10 percent to 22 lakh this year. The total count would increase by nearly 50,000 after companies file returns by mid-January.

The NBR chief also talked about sluggish growth of revenue collection.

Collection grew in October but the overall receipt growth was low owing to a fall in VAT collection in the previous months as many businesses are yet to get accustomed to the online VAT system under the new law introduced in July.

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MUTUAL FUNDS’ ASSET MANAGER SC clears way for replacing LR Global

STAR BUSINESS REPORT

The Supreme Court yesterday froze a High Court order which stayed the process of changing the asset manager of two listed mutual funds.

LR Global Bangladesh is the asset manager while Bangladesh General Insurance Company (BGIC) the trustee of DBH First Mutual Fund and Green Delta Mutual Fund.

There is no bar on the stock market regulator from changing the asset manager, said Barrister Mustafizur Rahman Khan, who represented IDLC Asset Management in court.

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Winners of Bangladesh Brand Forum's (BBF) Best Brand Awards pose at a ceremony at Le Meridien Dhaka on Saturday. The BBF organised the event in partnership with Nielsen Bangladesh and in association with The Daily Star.

STAR

Stocks tumble to 37-month low

STAR BUSINESS REPORT

Dhaka stocks sank to a 37-month low yesterday as a gloomy macroeconomic outlook of the country aggravates the confidence crisis among investors.

The DSEX, the DSE's benchmark index, dropped 75.33 points, or 1.62 percent, to close at 4,596.

In the last five days, the bourse lost Tk 8,715 crore, or 2.45 percent, from its market capitalisation.

“Investors have been impacted by news of a gloomy macroeconomic outlook of the country published in newspapers,” said Mohammed Rahmat Pasha, managing director of UCB Capital Management.

He said investors have been suffering from a lack of confidence for the past couple of months.

Moreover, some macroeconomic indicators are not growing at the previous rate, affecting investors’ confidence further, he added.

According to the Bangladesh Bank data, private sector credit growth dropped to a nine-year low of 10.04 percent in October due to a liquidity crunch in the banking sector.

Meanwhile, defaulted loans surged 24 percent to Tk 116,288 crore in September

compared to that in December last year.

The loans now account for 11.99 percent of the total outstanding loans in banks, up from 10.30 percent in December 2018.

The overall balance of payments stood at \$204 million in the negative, which was \$158 million in the negative year-on-year.

The National Board of Revenue set a revenue collection target of Tk 325,600 crore for the current fiscal year, up 45 percent from a year ago.

But it faced a shortfall of over Tk 20,000 crore from its desired target for the first quarter.

A high level official of a top asset management company, preferring anonymity, said investors, including institutional ones, were in panic and selling stocks because the economy was not giving them any hope.

“Generally foreign investors buy stocks when the index plunges to a very low position. However, they are also selling this time,” he said.

He said foreign investors were also selling shares in many frontier markets because they too were depressed. However, developed and emerging markets are doing better.

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Ceramics makers bag export orders worth \$5.5m

STAR BUSINESS REPORT

Ceramic manufacturers received export orders worth \$5.5 million at the just-concluded Ceramic Expo Bangladesh 2019, the organisers said.

The orders came from five countries – Italy, Brazil, India, Greece, and Sweden, the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA) in a press release yesterday.

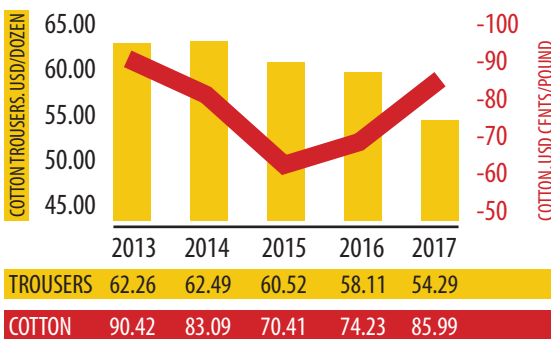
The three-day event at the International Convention City Bashundhara concluded on Saturday with good responses from visitors and buyers.

“We are highly satisfied as we got overwhelming responses from manufacturers, buyers and visitors,” said Irfan Uddin, general secretary of the association, adding that the number of participants more than tripled this year compared to the previous edition.

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Apparel items continue to become cheaper

DECLINING PRICES



SOURCE: MARK ANNER: BINDING POWER, THE SOURCING SQUEEZE, WORKERS RIGHTS AND BUILDING SAFETY IN BANGLADESH SINCE RANA PLAZA

REFAJET ULLAH MIRDHA

The prices of Bangladeshi made apparel items continued to fall since the Rana Plaza building collapse in April 2013 although the prices of cotton, the main raw material for fabrics, increased during the time to some extent.

In 2013 a dozen of Bangladesh-manufactured cotton trousers sold for \$62.26. In 2017 the same quantity went for \$54.29 per dozen, a 12.80 percent fall in five years, according to a findings by “Mark Anner: Binding Power, the Sourcing Squeeze, Workers’ Rights and Building Safety in Bangladesh since Rana Plaza”.

However, cotton was sold at 90.42 cents per pound in 2013 and the price of the white fibre went down to 83.09 in 2014 and 70.41 cents in 2015.

But from 2016 the price of cotton started going up again and it was sold at 74.41 cents. In 2017, per pound of cotton sold for 85.99 cents, according to the findings.

Although the prices of cotton increased during this time, the prices of Bangladeshi made garment items rather went down as the

international retailers did not pay a fair price to local manufacturers and exporters.

In case of Bangladesh cotton prices matter a lot. The cotton fibered garment production in Bangladesh is still high as local spinners did not start production of man-made fibres or viscose fibre at a massive scale.

Of the total garment export from Bangladesh, nearly 90 percent are made from cotton fibres. On the other hand, other countries produce 50 percent of garment from cotton fibre and man-made fibres, according to industry insiders.

Prices have fallen by about 3.64 percent to the EU and almost 7 percent to the US over the last four years, said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the garment makers’ platform.

Decline of price can be associated with the constant price pressure from brands and retailers owing to the volatility of global consumption.

“At the same time, as an industry, we too have been over aggressive about price quotes in order

to secure business. It’s natural for buyers to take advantage of that.”

“At our end, we must end over expansion leading to overcapacity. At the buyers’ end, they must kindly consider us worthy of receiving premium price advantage just because we are now the most compliant supply hub of the world with regard to compliance and of course, environmental sustainability.”

A clear proof lies in the number of green factories in Bangladesh exceeding 100, which was not prescribed.

“Thus, with green factories, we must get green prices at the same time,” the BGMEA president also said.

Over the past four years, value addition of the industry has gone down by 1.61 percent though apparel export has increased from \$28.10 billion to \$34.13 billion.

This means, growth is happening in physical term only, but the value added per piece of garment produced has rather declined over the years.

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Improve business climate quickly to gain GSP Plus in EU

German envoy says

STAR BUSINESS REPORT

Bangladesh needs to improve its business climate urgently to qualify for the GSP Plus status in the European Union after its graduation from a least developed country to a developing nation, a top diplomat said.

Peter Fahrenholtz, German ambassador to Bangladesh, said the Generalised Scheme of Preferences (GSP) Plus gives an opportunity to Bangladesh to enjoy tariff-free exports.

“But it will not come automatically. Bangladesh needs to protect labour rights too,” he said.

The GSP Plus is a special incentive arrangement for sustainable development and good governance. It slashes tariffs to zero for vulnerable low and lower-middle income countries that implement 27 international conventions related to human and labour rights, environment protection and good governance.

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Agriculture lending picks up as seasonal crops raise demand

STAR BUSINESS REPORT

Farm loan disbursement accelerated in the first four months of the fiscal year on the back of loans flowing to seasonal crops in a sign that will

encourage farmers to grow essential agriculture products.

Agriculture lending rose 13.13 percent year-on-year to Tk 6,055 crore between July and October, according to data from the central bank.



Banks usually disburse a major portion of their annual farm loans during September-December when farmers spend busy time harvesting boro paddy and winter vegetables.

STAR/FILE

Banks usually try to disburse a major portion of their annual farm loans between September and December when farmers spend busy time harvesting boro paddy and winter vegetables, a central banker said.

“This is a good indication that lenders are not showing reluctance to give out farm loans at a time when they are facing liquidity crunch,” he said.

Private sector credit growth plummeted to a nine-year low of 10.04 percent in October, but the trend has not had any negative impact on the farm loan disbursement.

As per the central bank instruction, banks have to give out at least 2.5 percent of their total disbursed loans to the farm sector. The banking sector has a farm loan disbursement target of Tk 24,124 crore in 2019-20.

Last month, the central bank asked banks to disburse agriculture loans for the cultivation of onion in order to tackle the sudden steep rise in the price of the key cooking ingredient in the years to come, the central banker said.

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