



Anjan Chowdhury, chairman of the Micro Industries Development Assistance and Services (MIDAS), presides over its 28th annual general meeting through a digital platform on Wednesday. MIDAS directors Rokia A Rahman, SM Al-Husainy, Abdul Karim, M Hafizuddin Khan, Zahida Ispahani, Ali Imam Majumder, Parveen Mahmud and SM Akbar and Managing Director ASM Mashi-ur-Rahman were present. The meeting adopted the directors' report and annual audited accounts for 2019-2020, appointed auditors for 2020-2021 and elected board members.

Get away from growth delusion

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Debapriya Bhattacharya, convenor of the platform, said the government created jobs for 95 lakh people out of 1.29 crore targeted under the seventh five-year plan, meaning the country failed to generate employment for one-fourth of the targeted people.

The situation is even worse in case of creating jobs in the domestic sector as half of the target has remained unattained, he said while presenting a paper.

"We are fortunate that our migrant workers went abroad and found jobs. The way youth unemployment is growing is a major concern," the economist said.

"But we would like to say that employment has to be put at the heart of Bangladesh's development plan."

Bhattacharya said Bangladesh achieved GDP growth target during the 7FYP although the accomplishment on revenue collection, private investment, exports, remittance and foreign investment was far away from the goals.

"It might have happened due to programming deficiency or data

confusion," he said.

Transparency International Bangladesh's Executive Director Dr Iftekharuzzaman called for focusing on maintaining transparency and accountability in implementing development plans to get real benefits.

The new plan did not address the governance and anti-corruption issues, he said.

"If we don't streamline the governance issue in a corruption-prone country, how can we think that the plans will be implemented properly?"

The implementation of the five-year plan needs to be analysed periodically, said Prof Rehman Sobhan, chairman of the CPD.

The government should take up specific plans to ensure people's right to education and health service at free of cost, said Rasheda K Choudhury, executive director of the Campaign for Popular Education.

The industrial revolution is knocking at the door, so improving people's efficiency through upskilling and re-skilling is important, she said.

Shaheen Anam, executive director

of Manusher Jonno Foundation, said it was clear that the eighth five-year plan would not be able to help the country achieve the overarching goal of the SDGs that is "leaving no one behind".

This is because the five-year plan has not focused much on the marginalised people, she said.

Rumeen Farhana, a member of the parliamentary standing committee on the ministry of law, justice and parliamentary affairs, called the eighth five-year plan ordinary.

"We need to focus on reducing disparity in every sphere," she said, calling for district-wise budget allotment.

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"So, they were not included in the stimulus packages," she said.

Pir Fazlur Rahman, a lawmaker, said plans are taken up, but in many cases, they remain unimplemented due to inefficiency and corruption.

Bida beefs up its one-stop service

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He said the private sector was contributing towards the development of the country's economy.

This called for the need to improve the ease of doing business and create a business-friendly environment, he said.

"We need to work with the private

sector to improve the overall ease of doing business and increase business significantly," he noted.

He urged investors to collect all necessary documents before applying for the certificate so that the service could be seamlessly provided.

Implementation is more important than the signing of memorandums

of understanding to provide services, he noted. Islam expects to sign more agreement with city corporations of Dhaka and Chattogram soon.

Commerce Secretary Md Jafar Uddin said these services would help upgrade Bangladesh's score in the World Bank's ease of doing business index.

BB asks banks to keep extra Tk 10,000cr in provisioning

FROM PAGE B1
Banks now set aside 0.25 per cent to 2 per cent against unclassified loans. It is 20 per cent to 100 per cent against defaulted loans.

A provision is an amount earmarked for the probable, but uncertain, economic obligations of an enterprise. The purpose is to make a year's balance more accurate, as there may be costs, which could be accounted for in either the current or previous year.

In Bangladesh, the requirement of provisions has declined since the first quarter of 2020 after the central bank allowed banks to enjoy a moratorium.

Before issuing the notice, the central bank has carried out a study to detect the upcoming shock in the banking sector as borrowers continue to enjoy a moratorium facility until December.

On March 19, less than two weeks after the government first reported the country's maiden coronavirus case, the central bank asked lenders not to consider businesses to be defaulters if they fail to repay instalments until June 30.

The moratorium facility was later extended until December and has curbed the rising trend in default loans and provisioning requirements.

As per the banking rules, lenders are usually allowed to transfer the interest of the loans, which is yet to be realised, to their income books.

Such interest is treated as an accrued interest in banking norms.

Banks are allowed to show the accrued interest as income, but such amounts have to be treated as an interest in suspense if loans become defaulted, said a central bank official.

Against this backdrop, net profit in the banking sector is expected to get heavily inflated this year.

But the latest central bank move has reined in inflated net profit in banks. Banks would have to keep an additional Tk 9,500 crore for the 1 per cent extra provisioning based on the outstanding non-performing loans as of September this year, according to a central bank calculation.

But the figure will increase in the final quarter of this year.

As of September, unclassified loans in the banking sector stood at Tk 969,186 crore, 91.12 per cent of the total outstanding loans, data from the central bank showed.

Non-performing loans (NPLs) stood at Tk 94,440 crore in September, down 1.74 per cent from that three months earlier and 18.73 per cent year-on-year, BB data showed.

The country's banking sector has historically faced provisioning shortfall due to the failure of 10 to 11 banks.

The ongoing moratorium facility has helped banks bring down the provision shortfall to Tk 2,644 crore in September in contrast to Tk 8,119 crore one year ago.

Banks will have to keep the amount in the form of "special general provision-Covid-19".

Lenders will not be allowed to transfer the provision to income or any other segments without permission from the central bank.

"This is a wise decision taken by the central bank beyond doubt," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

Classification has been stopped since the inception of this year due to the regulatory forbearance, he said.

So, the initiative will help banks to absorb the shock, said Mansur, also chairman of Brac Bank.

He, however, said some weak banks would face difficulties to keep the required provisioning set by the central bank.

Mutual Trust Bank Managing Director Syed Mahbubul Rahman echoed him. "This is a good thing but it will create pressure on some banks," he said.

The central bank has also given a set of instructions to transfer interest and profit of the loans, which have not been realised to the moratorium facility, to their income segment.

Banks will have to take prior approval from the board of directors to transfer the accrued interest of loans, whose size is more than Tk 10 crore, to their income segment.

If the loan size ranges from Tk 5 crore to below Tk 10 crore, the branch managers will have to take no-objection clearance from the managing directors of banks.

SME Foundation launches campaign to promote local products

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To encourage purchase of local products, special features will be published on local dailies, talk-shows will be organised and text messages will be sent under government arrangement.

Different government bodies will also organise events to inspire people to go for purchasing more local products.

"An initiative has been taken to introduce a quota in the public procurement act to ensure that the government buys a certain amount of services or products from the SMEs," Industries Minister Nurul Majid Mahmud Humayun said at the programme.

The SMEs will be benefited with the initiative and it will also help the economy keep going amid the pandemic, he said. The rules related to mandatory collateral and other loan conditions should be eased considering the ability of the SMEs to achieve the stimulus disbursement target, the minister said as the chief guest.

Steps have been taken to ensure better marketing of SME products amid the Covid-19 situation to strengthen the linkage between the small entrepreneurs and buyers, he said. "To make it a success, the SME Foundation and BSCIC under the industries ministry are providing the entrepreneurs with e-commerce training."

All these government efforts have also helped keep the supply chain stable in the industries sector during the pandemic and the government will continue providing policy support to the SMEs, he said.

"To survive and keep pace with the global economy, it has become imperative to learn the new and modern technologies, improve product quality and provide SMEs with more facilities to market their products."

It will be a revolutionary step if a quota for SME products is applied for government procurement, as the local fashion designers produce around Tk 20,000 crore worth of products a year, said Masudur Rahman.

He also thanked the government, as the finance division has recently taken a step to include SME Foundation in the government's stimulus fund disbursement programme.

Revenue collection

FROM PAGE B1
The final data on VAT receipts from domestic economic activities for the full month of November was not available.

According to the provisional data, revenue receipts declined 7 per cent year-on-year to Tk 17,275 crore last month.

However, NBR Chairman Abu Hena Md Rahmatul Muneem termed the collection growth positive in view of the pandemic.

From July to November, the collection from import tariffs rose 6 per cent to Tk 27,777 crore.

VAT collection declined 5 per cent to Tk 31,690 crore, and income tax receipts rose 4 per cent to Tk 25,930 crore.

Nepalese billionaire to share thoughts at DHL-Star Business Awards

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He is the first businessperson from the Himalayan nation to enter the Forbes billionaire list. Currently, his net worth is \$1.5 billion, according to the business magazine.

Chaudhary is a global player in fast-moving consumer goods and the brain behind WaiWai, the CG's iconic brand that earned him the epithet "Noodle King".

His drive and dedication are his intrinsic strengths. And contrary to popular belief, he proved that an entrepreneur can do business in Nepal and still emerge a billionaire.

This year's award ceremony would take place virtually because of the coronavirus pandemic and would be livestreamed on Facebook.

Two individuals and two companies will be awarded in the

categories of Outstanding Woman in Business, Business Person of the Year, Best Financial Institution and Enterprise of the Year.

DHL Express and The Daily Star introduced the awards to recognise the achievements and positive contributions of business houses and individuals who have not only grown but contributed to the economic development of the country.

Over the years, the awards shaped up into the most prestigious event in Bangladesh's business community.

Some notable awardees include business leaders Samson H Chowdhury of Square Group, Syed Manzur Elahi of Apex Group, Amjad Khan Chowdhury of Pran-RFL Group, M Anis Ud Dowla of ACI and Sufi Mohammad Mizanur Rahman of PHP Family.

Enterprises such as the BSRM, MM Ispahani, Bengal Plastic Industries, Concord, Meghna Group of Industries, Rahimafrooz, as well as financial institutions like Eastern Bank, Mutual Trust Bank, Brac Bank, City Bank, and IDLC Finance were also awarded.

Lifetime achievement awards were also bestowed on those who have made a difference through their works.

Previous winners include M Matil Islam, the country's first finance secretary, Nasir A Choudhury, founding managing director of Green Delta Insurance, late MA Samad of Bangladesh General Insurance Company, Laila Rahman Kabir of Kedarpur Tea Company, and Mahbubur Rahman, president of the International Chamber of Commerce, Bangladesh.

Accolades for VAT compliance

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"We are very happy to be able to be part of this. We deposited thrice the amount of VAT we paid the first time we became top VAT payers earlier," said Malik Talha Ismail Bari, managing director of Unimart, one of the nation's top three VAT payers in the trading category.

Also termed as consumption tax, VAT is now the biggest source of revenue for the NBR, accounting for nearly 39 per cent of the total Tk 218,400 crore collected in taxes in fiscal 2019-20.

Citing the installation of the Padma bridge's last span yesterday, NBR Chairman Abu Hena Md Rahmatul

Muneem said that it is a happy occasion for the country.

"But there are more big projects, such as the metro rail and four-lane highway, under development. So, we will all feel good when those projects become physically visible in the coming days," he added.

The NBR chief also said that the state requires more revenue to carry out development activities and turn the country into a developed economy by 2041. In regards to tax rates, Muneem said that the NBR could revise them downwards once the tax and VAT net is increased.

"We give our assurance that we are working to ease the process of VAT

payment," he said, adding that the NBR was also focusing on automation and some of the projects were under implementation.

Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industry, said properly paying tax and VAT was a national responsibility.

He urged the NBR to collect turnover tax from retails and distribution on the basis of actual value addition instead of the present fixed 5 per cent rate. Introduced in July 1991, VAT became the biggest contributor to the NBR's revenue collection from fiscal 1995-96 and has maintained the lead ever since.

Cyber threats loom as online banking gets traction

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Things got even more critical amid the Covid-19 fallout, when attempts of hacking saw a 40 per cent increase, according to Hemant Arora, a partner (cyber security) at PwC Bangladesh.

Arijit Chowdhury, additional secretary to the finance ministry's Financial Institutions Division (FID), highlighted the steps taken by the government to thwart cybercrime in the financial sector.

"The government has brought

on regulatory reforms and has been

hosting cyber security drills to better

prepare the country's financial

institutions," he said.

According to Bangladesh Bank

data, only four of 60 lenders operating

in Bangladesh have such a centre.

Even though the central bank issued a directive in 2016 urging all banks to invest in IT security solutions, most lenders either went for a partial fix or ignored the instruction.

By building a dynamic and resilient cyber security system with self-healing codes, the system could protect itself by learning to adapt and adjust with each attack, said Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services.

He also suggested other measures such as an AI-backed data validation system.

Bangladesh.

So, there is a need of bilateral trade dialogues between the two nations, she added.

The balance of trade between the two countries is heavily tilted toward Bangladesh.

In fiscal 2018-19, the amount of bilateral trade was recorded at \$768.82 million.

Of the amount, \$696.04 million worth of goods were sent by Bangladesh while the import figure stood at \$72.78 million, according to data from the commerce ministry.

However, exports from Bangladesh to the Scandinavian country in fiscal 2019-20 were far lower compared to the previous year due to the ongoing coronavirus pandemic.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

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