

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 1.03%	▼ 1.08%	\$1,888.16	\$71.56	▲ 0.44%	▲ 0.27%	▲ 0.79%	▲ 0.21%	BUY TK 83.95	101.09	117.84	12.89
5,975.89	10,436.23	(per ounce)	(per barrel)	52,328.51	29,019.24	3,175.81	3,599.54	SELL TK 84.95	104.89	121.64	13.55



Star BUSINESS

DHAKA TUESDAY JUNE 8, 2021, JAISHTHA 25, 1428 BS • starbusiness@thedailystar.net

Govt data on economy contradicts reality

MAHMUDUL HASAN

Private sector credit growth has been sluggish, capital machinery imports declined, and industrial production grew slower in the outgoing fiscal year than a year ago.

The rate of the implementation of the Annual Development Programme (ADP) was at 49.09 per cent in the July-April period of FY21, the lowest in a decade.

From the figures, one may conclude that the economy of Bangladesh has not been doing well this fiscal year than the previous year. However, the figures made public by the Finance Division paint a different picture. It showed the economy fared well in FY21 than in FY20!

In the Medium Term Macroeconomic Policy Statement (MTMPS) for the fiscal year 2021-22 to 2023-24, the Division projects 6.1 per cent economic growth for FY21, up from 5.2 per cent in FY20.

And despite the slowing pace of the private sector credit growth and the falling import of capital machinery, the MTMPS maintains

Was FY2021 a better year than FY2020?

INDICATORS	FY20	FY21
GDP (In %)	5.2	6.1
Gross investment (% of GDP)	31.8	32.3
Private investment (% of GDP)	23.6	24.2
Public investment (% of GDP)	8.1	8.2

SOURCE: FINANCE DIVISION

that both public and private investment grew in FY21 than a year earlier as a percentage of gross domestic product (GDP).

The claims have drawn flak from economists and private think-tanks since Finance Minister AHM Mustafa Kamal tabled the national budget for the next fiscal year on June 3.

The Centre for Policy Dialogue (CPD) questioned the GDP growth estimates used in the MTMPS. The South Asian Network on Economic Modelling (Sanem) expressed doubts about the historically high private investment data.

"Data deficit is degenerating into data anarchy," said Debapriya Bhattacharya, convener of the Citizen's Platform for SDGs, Bangladesh, on Sunday.

READ MORE ON B3

Tax holiday to boost local manufacturing of automobiles

Industry insiders say



JAGARAN CHAKMA

The 20-year tax-exemption support announced in the proposed budget will definitely take Bangladesh's growing automobile industry to an impressive stage and promote local manufacturing, according to industry insiders.

Credible data is hard to come by but the sector players assume that annual automobile and three-wheeler sales reach no less than Tk 40,000 crore and are growing at 10 to 12 per cent on average.

Manufacturers are set to get a tax holiday for 10 years if 30 per cent of the components used are locally sourced and another 10 years if it is 40 per cent.

The sector is now import dependent as no manufacturing plant has come about since the country gained independence some 50 years back.

This means the country has been spending millions of dollars to import vehicles every year.

"This long term policy support will encourage investors and help develop the industry, which exemplifies the government's farsightedness," said Hafizur Rahman Khan, chairman of Runner Group.

"As investors we do expect this type of long-term policy support instead of frequent changes



The long-term policy support will encourage investors and help develop the local automobile industry, an expert says.

PHOTO: STAR/FILE

to rules and regulations," he added.

According to the chairman of Runner Group, this initiative will attract investors from both home and abroad.

"It was our long-running demand to set a policy for an extended period which will help the investors prepare and settle on a business plan," Khan said.

"I do believe the initiative to promote 'Made in Bangladesh' practices will be fruitful as the government is showing its sincerity through this type of policy," he added.

Abdul Matlub Ahmad, chairman of Nitoy Niloy Group, said the tax holiday would help take the sector to the next level.

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Fine doubles for wrong info in export-import documents

Changes brought to customs act



MOHAMMAD SUMAN, Ctg

The government has amended the Customs Act, doubling the penalty for providing incorrect information in import and export documents even though wrong declarations do not lead to any duty evasion.

The National Board of Revenue (NBR) has increased the fine to a maximum of Tk 100,000 from Tk 50,000 for declaring incorrect information, according to the Finance Bill 2021-22, which was placed in parliament on Thursday.

In addition, if the trader fails to submit any required document, they could face a maximum fine of Tk 50,000, up from Tk 20,000 previously.

The Finance Bill brought changes to two sections of the Customs Act, 1969, to increase the fines, which came into effect immediately.

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Exporters and importers termed the hike in fines unreasonable, saying it would lead to an increase in harassment.

PHOTO: STAR/FILE

Exporters given more time to collect proceeds

STAR BUSINESS REPORT

Bangladesh Bank yesterday further extended the deadline for export proceeds repatriation in a bid to help entrepreneurs withstand the Covid-19 fallout.

Exporters will now get seven months to bring their export earnings until December this year, according to a central bank notice.

In March last year, exporters were allowed to fetch their export proceeds within seven months from the date of shipment instead of the previous four months.

The facility is scheduled to expire this month.

The repayment period for the back-to-back letters of credit opened under suppliers' and buyers' credit was earlier extended to one year from six months. This means importers can pay back the loans within a year against imported goods.

The support, set to expire this month, has been extended until December as well.

Buyers' credit refers to the finance for the payment of imports arranged by the importer from a financial institution outside the country.

Suppliers' credit is the credit extended directly by the overseas supplier for imports instead of a bank or financial institution.

In March last year, the central bank extended the repayment period for loans under the export development fund (EDF) to six months from three months.

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Beximco wins Tk 356cr public works

Informs DSE

STAR BUSINESS REPORT

Beximco Ltd has won three public work orders involving Tk 356.5 crore.

The listed company made the disclosure on the Dhaka Stock Exchange (DSE) website yesterday in response to a query from the bourse.

The exchange had sought the information following newspaper reports on the awarding of the contracts. Beximco released a press release on Sunday.

The security filing, however, failed to cheer the stocks of the company. It closed 5.70 per cent lower at Tk 91 yesterday.

A consortium of Beximco's IT Division, Dohatec New Media, and DotGov Solutions LLC USA signed a deal with the Central Procurement Technical Unit to develop

READ MORE ON B3

LankaBangla gets \$15m foreign loan



STAR BUSINESS REPORT

LankaBangla Finance has received a foreign loan of \$15 million from Luxembourg-based BlueOrchard Microfinance Fund.

The loan proceeds will meet financing needs of small and medium enterprises (SMEs) and green and sustainable projects such that hardships stemming from the coronavirus pandemic can be smoothly overcome.

Switzerland-based impact fund manager BlueOrchard Finance and Green Delta Capital made the arrangements last month.

The Green Delta is also acting as the security agent on behalf of BlueOrchard Microfinance Fund in this transaction.

This is the second cross border debt transaction for LankaBangla.

The non-bank financial institution received its maiden foreign loan in 2019 from the Islamic Corporation for the Development of the Private Sector.

BlueOrchard seeks to contribute to economic, environmental and social development and to improve access to financial services to those at the bottom of the pyramid as well as SMEs, mainly in emerging markets.

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Stocks fall amid profit booking

STAR BUSINESS REPORT

The stock market took a dip yesterday due the profit booking tendency among investors.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 62 points, or 1.03 per cent, to 5,975.

Investors are taking their profits as the market has remained bullish for the last couple of weeks, according to a stock broker.

"So, the index fell," he said.

The DSEX spiralled around 10 per cent in the last one month -- the highest in the past three-and-a-half years. "That's why the profit booking was expected," the broker said, adding that it is good for the market when people take profits because then they get the confidence to invest more.

Turnover, another important indicator of the market, plunged 21 per cent to Tk 2,083 crore yesterday.

At the DSE, 98 stocks advanced, 242 fell and 27 remained unchanged.

The market witnessed massive fall in sectors that jumped at higher rates in recent months.

Among the major sectors, engineering, services & real estate, and tannery experienced price appreciation while bank, insurance, mutual fund, and cement faced correction.

The life insurance sector dropped

2.29 per cent while banks fell 1.78 per cent, cement 2.09 per cent, and mutual fund 1.37 per cent, according to data from UCB Stock Brokerage.

In the last few days, these sectors had topped the gainers' list as most of the related companies' stocks rose by 7 to 18 per cent, according to DSE data.

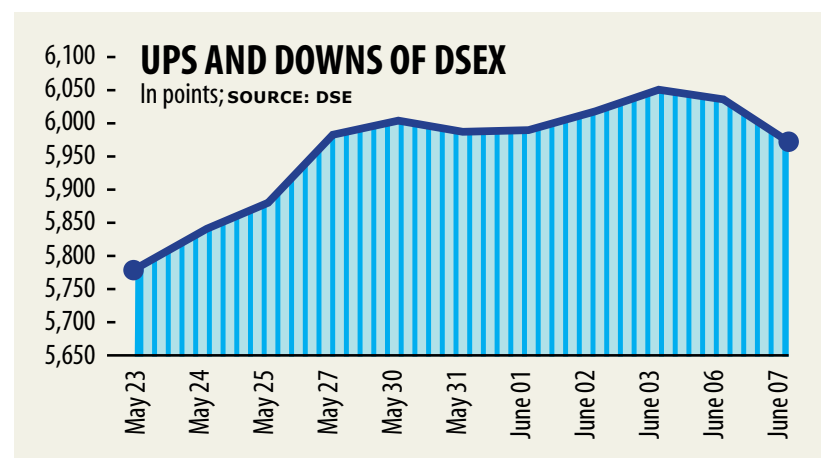
Stocks of Beximco Limited and Grameenphone were the top contributors to the plunge as they collectively brought the DSEX down by 31 points, as per data from amarstock.com, a market analysis website.

National Housing Finance Corporation topped the gainers' list, rising 10 per cent, followed by Desh

Garments, Pioneer Insurance, Lubreref Bangladesh and Aman Cotton Fibrous. Stocks of Beximco traded the most with Tk 247 crore, followed by LankaBangla Finance, Fortune Shoes, Pioneer Insurance and Saif Powertec.

First Security Islami Bank shed the most, losing 12.5 per cent followed by Exim Bank, Standard Bank, Beximco and CAPM IBBL Mutual Fund.

The Chittagong Stock Exchange (CSE) also dropped as the CASPI, the general index of the port city bourse, fell by 189 points, or 1.08 per cent, to 17,317. Among its 300 traded stocks, 86 rose, 191 fell and 23 remained unchanged.



BSRM Steel Mills merges with BSRM

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) yesterday approved the amalgamation of Bangladesh Steel Re-Rolling Mills (BSRM) and its sister concern BSRM Steel Mills.

After the amalgamation, BSRM's paid-up capital will soar to Tk 298.58 crore from Tk 236 crore, according to a statement from the stock market regulator.

So, BSRM will issue 6.25 crore shares to the shareholders of BSRM Steel Mills instead of 39.44 crore shares, which still have a face value of Tk 10.

The BSEC approved the merger at a commission meeting, where it also gave the go-ahead to the amalgamation ratio of 1:0.288 following a High Court order.

READ MORE ON B3

Hili traders for limiting Indian truck entry

OUR CORRESPONDENT, Dinajpur

Bangladeshi exporters, importers and clearing and forwarding agents at Hili Land Port in Dinajpur's Hakimpur upazila have announced that they would accept letting in just 50 goods-laden trucks from India from tomorrow to tackle the pandemic.

Usually 200 to 250 trucks enter the port every day. Customs is yet to provide an official statement on the matter.

READ MORE ON B3



Mohammed Haider Ali Miah, managing director and chief executive officer of EXIM Bank, virtually inaugurated a Shikaripara sub-branch at Nawabganj, Dhaka from its head office yesterday. Additional Managing Director Md Feroz Hossain and Deputy Managing Director Md Humayun Kabir were also present.



Agran Bank celebrated its deposits reaching Tk 1 lakh crore at its head office in Dhaka recently. Officials led by Chairman Zaid Bakht congratulated Managing Director and CEO Mohammad Shams-ul-Islam with a bouquet.

Tax holiday to boost local manufacturing of automobiles

FROM PAGE B1
"I believe this initiative will attract more investment and is a really appreciable step of the government," he added.
Side by side, the government should give benefits to component makers to develop the industry, he said, adding that the automobile sector cannot be developed without the development of component makers.
Ahmad went on to say that the government should take initiatives to encourage component makers by providing tax holidays and duty-free import of raw materials.
According to him, the backward linkage and component manufacturing industries are the main factor behind the automobile industry as over a thousand types of components are required.
Mohammed Mohsin, vice chairman of the PHP Family, one of whose concerns is PHP Automobiles, which assembles four models of the Proton

brand in Chattogram, also said the tax holiday would attract investment.
He said it would help the sector develop and create employment.
He thanked the government for the special privilege, saying it would help develop the backward linkage industry.
According to him, around 3,000 light engineering companies will benefit from this initiative and provide a good scope to improve the quality of products.
Now, most components for assembling cars have to be imported from Malaysia due to a lack of component manufacturers in Bangladesh, he said, adding, "We need component manufacturers in Bangladesh."
This decision will also be helpful in bringing competitive prices to the car market, he said.
Mir Masud Kabir, managing director of Bangladesh Auto Industries, which is establishing the country's first

factory for electric vehicles, expressed satisfaction over the government policy support.
He also appreciated an associated condition of the policy that the investment must be of at least Tk 100 crore, reasoning that it would do away with the scope to abuse the policy.
According to him, the development of any sector depends on government policies and this policy would help consumers afford the products at competitive prices.
Taskeen Ahmed, managing director of Ifad Autos, said they were really optimistic about the sector for the investment and business-friendly initiative of the government.
He believes it would help attract foreign investors and create a good market in line with economic growth.
"We, the investors, spend millions of dollars on importing vehicles and automobile components every year. For this reason we need local manufacturing plants," he said.

Northern districts, the dark horse of local tea industry

FROM PAGE B4
Tea plantation has expanded to 8,642 acres in Panchagarh, 1,293 acres in Thakurgaon, 112.96 acres in Lalmonirhat, 71.09 acres in Nilphamari, and 61.50 acres in Dinajpur.
Cultivation in the northern parts of Bangladesh grew at an average of 15 per cent per annum over the past five years.
Apart from 26 large gardens in the region, there are 7,310 small farmers who produce tea on their own.
Large gardens and small growers in the five districts aim to produce 12 million kilograms (kg) of tea worth Tk 180 crore in the current season.
In 2020, tea was cultivated on 8,060 acres of land in the districts with a target to produce 9.5 million kgs.
Even despite the ongoing coronavirus pandemic, last year's target was exceeded as 18 factories produced 10.3 million kgs of tea from 50.12 million kgs of raw leaves. The northern region accounted for about 12 per cent of the national tea production in 2020.
"As the land in the northern

districts are more fertile compared to Chattogram and Sylhet, growers can pluck leaves after a year of planting saplings," said Mohammad Shamim Al Mamun, senior scientific officer of the Bangladesh Tea Board's office in Panchagarh.
During a visit to different areas in the district, this correspondent spoke with several small growers on how they become self-reliant through tea cultivation. Ishag Ali Mandal, one of the few growers in Tetulia upazila of Panchagarh who planted tea in the industry's early days, said he cultivated tea on 30 acres of land this season, up from 2.5 acres in 2000.
On average, he earns Tk 50 lakh per year from his tea garden.
Similarly, Abul Hossain, of Pedigach village in the same upazila, cultivated tea on 20 acres this season.
According to the farmer, the land was left unutilised before tea cultivation began in the region.
"But now, small growers who cultivated tea on their own land have

become solvent," he said.
Several tea growers mentioned that they suffer losses when processing factory owners stop purchasing green tea leaves during the peak of plucking season.
However, Asma Jahan, Monira Begum and several others who were seen plucking tea leaves from a field in Shalbahan of Tetulia upazila said they work at the garden year-round and are not concerned about having to find other jobs.
Amirul Haque Khokon, president of Bangladesh Small Tea Growers Association, told this correspondent that the tea sector was flourishing in the northern region, especially in Panchagarh and Thakurgaon.
"The industry will expand even faster if the government takes the initiative to set up a state-owned tea factory and third auction centre in Panchagarh to ensure fair prices," he said.
Khokon also urged the government to provide irrigation facilities, training and assistance for mechanisation.

Government of the People's Republic of Bangladesh Prime Minister's Office Bangladesh Export Processing Zones Authority (BEPZA) "Patuakhali & Jashore EPZ" Project BEPZA Complex, House # 19/D, Road #06 Dhanmondi, Dhaka-1205. (www.bepza.gov.bd)		18 Other Details	
Memo No- 03.06.2616.325.07.002.21-958 Dated:- 02 June, 2021		01. The consultant firm shall be selected using the QCBS Method in accordance with Public Procurement Rules-2008 and Public Procurement Procedures by the GoB. 02. The firm(s) may form Joint-Venture, Consortium or Association (JVCA) to enhance their qualifications, but should mention whether the Association is in the form of a "Joint-Venture". In the case of joint-venture, all firms/entities shall be jointly and severally liable for the entire consultant's obligations under the contract. 03. Incomplete/ partial EOIs will be rejected and Interested firm(s) must provide focused information demonstrating that they are qualified to perform the services. Separate envelope must be submitted for each EOI. The Proposals in two sets (1 original + 1 duplicates) shall be submitted in sealed envelope & delivered to the address of the under signed up to 12.00 PM by 27 June, 2021 & clearly marked as "Request for Expression of Interest" for the "Consultancy Service for obtaining ECC from DoE".	
Request for Expression of Interest (EOI) to achieve Environmental Clearance Certificate (ECC) For Selection of Environmental Consulting Services Firm to achieve Environmental Clearance Certificate (ECC) from Department of Environment (DoE) for proposed Patuakhali & Jashore EPZ at Patuakhali & Jashore District.		19 Association with Foreign Firms	Not Encouraged.
1 Ministry/Division Prime Minister's Office 2 Agency Bangladesh Export Processing Zones Authority (BEPZA) 3 Procuring Entity BEPZA, Dhaka 4 Procuring Entity Code N/A 5 Procuring Entity District Dhaka 6 Expression of Interest for the Selection of Environmental Consulting Services Firm 7 EOI Ref. No. 03.06.2616.325.07.002.21 8 Date June 02, 2021		20 Basis of EOI Review	EOIs will be reviewed for preparation of a shortlist on the basis of the following: (a) Registration year/age of the firm; (b) Availability of appropriate skills among staffs; (c) Demonstrated capacity to handle such assignment; (d) Strong Administrative communication skills to coordinate with the client and regulatory authority DoE for expediting the ECC issuance procedures; (e) Experience in Similar tasks that is achieving Environmental Clearance Certificate obtained from Department of Environment (DoE) for establishing or developing economic/industrial zones, large size industrial parks or Export Processing Zones; (f) Financial solvency.
KEY INFORMATION 9 Procurement Sub Method Quality and Cost Based Selection (QCBS) 10 Budget and Sources of Funds Self Finance / GoB 11 Development Partners (If applicable) N/A 12 Project/ Programme Code (If Applicable) N/A 13 Project/ Programme Name (If Applicable) Patuakhali & Jashore EPZ Project 14 EOI Closing Date & Time June 27, 2021 at 12:00 PM		21 Expected Team Composition Per proposal	i) Team Leader (must be an Environmental Specialist) ii) Economist iii) Industry Sector Experts(s) iv) Economic Zone/ EPZ Master Planning Expert v) Expert liaison officer
INFORMATION FOR APPLICANT 15 Brief description of Assignment Bangladesh Export Processing Zones Authority (BEPZA) is the official organ of the government and the leading organization to enhance investment, employment, export, to transfer technology and earn foreign exchanges in the industrial sector of Bangladesh. By this way in 08 (eight) Export Processing Zones (EPZs) now there have total 588 industrial enterprises where 472 are in operation. The Cumulative investment in these EPZs in US\$ 5370.92 million and almost 4.38 lac Bangladeshi people are employed in the EPZ enterprise. The last year export form the EPZs was US\$ 6489.12 million which contributes to 19.27% of the national export earnings. Government of the people's Republic of Bangladesh has taken decision to establish Patuakhali & Jashore Export Processing Zones at Patuakhali and Jashore District respectively. As part of the procedure Environmental Clearance Certificate (ECC) form Department of Environment (DoE) is required for the said project. BEPZA hereby intends to appoint a reputed National Environmental Consulting Services Firm for achieving Environmental Clearance Certificate (ECC) form Department of Environment (DoE) for the proposed Jashore & Patuakhali EPZ. The consulting firm will have to follow all the steps require to achieve Environmental Clearance Certificate (ECC) from Department of Environment (DoE), and the steps also should be approved by the Authority before submission to DoE.		22 Selection Strategy	Firms will be short-listed depending upon capability of carrying out the said assignment (s) as a whole. However at the time of Proposal submission, the short-listed firms would be required to propose different sets of key experts for each components of the assignment, Firms may associate and submit a joint proposal to carry out the assignment as a whole. A successful proposal will satisfy the requirement of each component of the assignment with relevant expertise, skills and team members, then the firm will be awarded with the contract for that it is evaluated to have scored the highest ranked and overall the lowest cost for the employer.
16 Objectives of The Assignment Submission of Environmental Clearance Certificate to BEPZA obtained from Department of Environment (DoE) for establishing Jashore & Patuakhali Export Processing Zone.		23 Package Details	Location Avoy Nagar Upzilla, Jashore & Pocha Koralia, Patuakhali Sadar, Patuakhali. Indicative Start Date 01 September, 2021 Indicative Completion Date 30 November, 2021
17 Qualification, Experience, Resources and Delivery Capacity Required The Consulting Firm should have the following experience: 01. At least 05 (Five) years of experience in achieving Environmental Clearance Certificate obtained from Department of Environment (DoE) for establishing or developing economic/industrial zones, large size industrial parks, or Export Processing Zones or large type of export oriented industry. 02. Interested consulting firms are invited to provide information indicating that they are qualified to perform the services. The consulting firms should be experienced and reputed in the similar field. Interested firms should submit the following information in sufficient detail including brochures description of experience in similar assignments, summaries of firm's technical and managerial capabilities, availability of appropriate skills among key staffs with short biographies, availability of resources etc. 03. The bank solvency certificate from schedule bank of Bangladesh should be submitted. 04. Registration of firm • Availability of key professionals and their experiences • Availability of resources • Turnover of the consulting firm of the last five years • 05 (five) years experience of the firm(s) in similar task • Experience of the firm(s) in other works • Support services of the firm(s) • Up-to-date trade license. 05. History of litigation (if any) in courts or any arbitration proceedings.		PROCURING ENTITY DETAILS 24 Name of Official Inviting EOI Md. Shah Riar Chowdhury Executive Engineer (Electrical), BEPZA 25 Address of Official Inviting EOI Bangladesh Export Processing Zones Authority (BEPZA) REPZ Cell, House # 19/D, Road # 06, Dhanmondi R/A, Dhaka-1205 26 Contact Details of Official Interested Consultants may obtain further information at the address below during Office hours. Office of the Bangladesh Export Processing Zones Authority BEPZA Complex, House 19/D, Road#06, Dhanmondi R/A, Dhaka-1205 Phone- 02-9660199 E-mail: xenengre1.ho@bepza.gov.bd 27 Special Instruction Procuring entity reserves the right to accept any or reject all EOIs.	



Aziz Al Kaiser Hossain Khaled

City Bank reelects chairman, vice chairman

STAR BUSINESS DESK

City Bank yesterday witnessed the reelection of the chairman and vice chairman of its Board of Directors. Aziz Al Kaiser and Hossain Khaled are both sponsor directors, said a press release.

Beximco wins Tk 356cr public works

FROM PAGE B1

a full-fledged electronic project management information system for Tk 47.5 crore.

Another consortium of Beximco's IT Division, Tech Mahindra Ltd of India, and Tech Valley Networks Ltd of Bangladesh was handed a contract worth Tk 261 crore.

The work order came from the Directorate General of Food. The IT Division will supply, install and commission online food stock and market monitoring system financed by the World Bank.

The contract will be signed shortly, Beximco said.

Last month, Beximco Computers penned two deals involving Tk 48 crore with the Bangladesh Computer Council to establish the cyber range at the Military Institute of Science and Technology and IT lab at the Bangladesh Institute of Administration and Management Foundation.

Lift VAT on crockery, plastic toys

FROM PAGE B4

He urged the government to reduce the tax rate from the proposed 4 per cent to 3 per cent and fix the upper limit of turnover at Tk 5 crore, up from proposed Tk 1.5 crore.

At present, about Tk 35,000 crore worth of plastic products are being produced and marketed in the domestic market every year and the sector contributes about Tk 3,500 crore to the national exchequer every year.

According to the BPGMEA, about \$1 billion worth of plastic goods are exported every year through direct and indirect sources.

The plastics sector has already provided employment to over 12 lakh people and the average growth rate of this sector is more than 20 per cent.

Govt data on economy contradicts reality

FROM PAGE B1

"This kind of data anarchy leads to distorted analysis that leads to bad policy choices. And it leads to unmet demands of the people, and in the long run, it is the political leaders who will face the consequences."

This is not the first time questions have been raised about the major macroeconomic data.

In April 2018, the World Bank questioned the 7.65 per cent economic growth estimate of the Bangladesh Bureau of Statistics (BBS) for FY18, raising doubts over claims of robust expansion of the manufacturing sector and domestic demand.

Citing the figures of GDP growth, per capita income used in the MTMPS, the finance minister's budget speech, the BBS and the 8th Five-Year Plan, Bhattacharya said per capita income was higher in the provisional data of the finance ministry than that of the Eighth Five-Year Plan.

The Finance Division puts the per capita income at \$2,064 for FY20, which is 2 per cent higher than the BBS estimate.

Bhattacharya said the per capita income for FY21 was shown at \$2,170 in the 8th Five Year Plan, which was projected before the pandemic arrived. However, the number used in the budget document, the MTMPS and the BBS was \$2,227.

"How can the figures of the pre-pandemic period be lower than those in the Covid-19 period?" said the distinguished fellow of the Centre for Policy Dialogue (CPD).

The same was on repeat in the projected per capita income data for FY22, where the provisional finance ministry estimate is larger than the 8FYP figure, said Bhattacharya.

It does not end there. According to Bhattacharya, FY21 was going to be the worst year in the recent period for the economy. But GDP growth, private and public investment were shown to be higher in FY21 than in FY20.

"I have a profound doubt about it." The MTMPS said that the private

and public investment would increase to 24.2 per cent of GDP in FY21 from 23.6 per cent in FY20.

Public investment is estimated to grow to 8.2 per cent of GDP in FY21 from 8.1 per cent a year ago.

"Public and private investment are not corroborated by the investment correlates. The indicators of many government agencies do not even support them," Bhattacharya said.

The economist said the 6.1 per cent GDP growth projection did not consider the second wave of coronavirus.

Citing MTMPS, the Implementation Monitoring and Evaluation Division, Bangladesh Bank and BBS data, he said ADP implementation was 74.9 per cent in the entire fiscal year of 2019-20, and it was 49.09 per cent during the July-April period of the current fiscal.

The private sector credit grew 8.6 per cent in FY20. It slowed to 8.3 per cent in the first 10 months of FY21.

"Most of the indicators are showing that last fiscal year was better than the current fiscal year, and the budget is stating the opposite," Bhattacharya said. Projections of the international organisations have also been estimated before the second wave.

However, all initial forecasts are consistently below the national estimate, he added.

He said there was no mention of the new poor and old poor in the proposed budget.

The 8th Five-Year Plan estimated that the rate of poverty rose to 23 per cent in the current fiscal year, from 18.6 per cent a year ago. This was not mentioned in the budget.

The plan said the poverty rate would stand at 23 per cent in FY21 and would come down to 17 per cent in 2024.

The budget speech said the poverty rate would be brought down to 12.3 per cent in 2024.

The surveys by the CPD, the Sanem and the Brac Institute of Governance and Development and the Power and Participation Research Centre

showed that the ratio of the poor ranged from 35 per cent to 43 per cent because of the economic slowdown, Bhattacharya said.

Sanem Executive Director Selim Raihan said the private investment had been shown at a historically high level. But the incremental capital-output ratio had been falling gradually in the FY20 and FY21.

"At a time when businesses suffered losses and were trying to recover, the private investment is shown higher amazingly," he said.

"It is seriously inconsistent," he said, citing Sanem's Business Confidence survey, which found that 55 per cent of firms were trying to make a comeback from the pandemic induced losses.

"Wrong data will lead to a serious disconnect with ground reality and policy-making. This will lead to half-hearted policy."

As a result, the stimulus packages will not be properly targeted, and social protection schemes will not expand, said Raihan.

Abdur Rouf Talukder, senior secretary of the finance division, could not be reached for comments.

Hili traders for limiting Indian truck entry

FROM PAGE B1

The traders and agents were said to have written a letter to the leaders of the Hili Exporters and Customs Clearing Agents' Association of India on Saturday, seeking vaccination and Covid-19 tests for truck drivers, limiting truck entry and taking those back daily.

The association General Secretary Dhiraj Adhikary is said to have replied that doing so would be impossible and cross-border trade had to continue as before.

The Bangladeshis were then said to have come up with the announcement after holding an emergency meeting on Sunday.

DataBird-The Daily Star organising tech idea contest

STAR BUSINESS DESK

DataBird, a Bangladeshi company having products across online travel, news, keyboard, eReader and lifestyle mobile applications, in association with The Daily Star is organising a competition to find unique ideas to use technology in solving the country's problems.

Registration started on June 3 and is open till June 16. DataBird LaunchPad 2021 is open for all Bangladeshis.

The competition is divided into two parts. The first is for all current students and those who graduated on or after January 1, 2021. The second Professional Track is for individuals who can register for free with a team of two or four members.

A panel of local and international judges will provide the teams feedback. This competition will also enable exposure to local and international investors.

The winner of the first part will get two MacBook Pro laptops while that of Professional Track a grant of Tk 15 lakh. There will be prizes and grants for runners-up.

LankaBangla gets \$15m foreign loan

FROM PAGE B1

This is its first transaction in the Bangladesh market and a Bangladeshi recipient.

Normunds Mizis, chief credit officer of BlueOrchard Finance, said it would give a boost to the SME sector in Bangladesh.

Khwaja Shahriar, managing director of LankaBangla, said obtaining foreign currency loans was a part of the NBF's corporate strategy to widen the borrowing mix, which would definitely help it arrest the cost of funds to some extent.

"As we received the fund at a competitive rate of interest, we will be able to shift the same benefit to our end-clients, especially SMEs and emerging sectors," he said.

Md Rafiqul Islam, managing director of Green Delta Capital, said such investments would help unlock more foreign financing in Bangladesh.

BSRM Steel Mills merges with BSRM

FROM PAGE B1

BSRM currently holds a 44.97 per cent stake in BSRM Steel Mills. BSRM's sales hit Tk 4,577 crore in fiscal 2019-20 and it logged profits of Tk 92 crore for the same period, according to the company's annual report.

The BSEC also decided to void ICB and ICB Capital Management from the trusteeship of two open-ended mutual funds called ICB AMCL Unit Fund and Bangladesh Fund respectively.

As the fund manager of the two funds was ICB Asset Management Company, it was decided to void the trusteeship of ICB and ICB Capital, the BSEC said in a statement, adding that the decision was taken in order to bring transparency in the mutual fund sector.

The trusteeship of the two funds would be transferred to others, it added.

Fine doubles for wrong info in export-import documents

FROM PAGE B1

Traders described the hike in fines unreasonable, saying it would lead to an increase in harassment.

Mahbubul Alam, president of the Chattogram Chamber of Commerce and Industry, said a trader may sometimes unintentionally give a wrong name or code for a product, but this does not mean that the trader tried to dodge any duties.

"Even then, traders were fined up to Tk 50,000," he said, adding that the harassment would increase if the fine was doubled to Tk one lakh.

Altaf Hossain, secretary of the Chattogram Clearing and

Forwarding Agent Association, said such amendments were made to create obstacles in import-export activities.

"Such unintentional mistakes should not be penalised if there is no motive to evade tax. Even if a fine is imposed, it should be nominal," he added.

AKM Nurul Huda Azad, first secretary for customs policy of the NBR, said it was not possible to describe all irregularities in the Act separately. Only the anomalies that were not defined specifically would be penalised.

Using the signature of unauthorised

company officials, giving an incorrect description of products, or failing to provide information on time is a breach of laws.

As a result, customs officials can impose a maximum or minimum fine depending on the severity of the irregularities.

This was the first amendment to the two sections of the Act since 1986, the NBR official said.

"So, it is not unreasonable to double the fine after so many years. The amendments have been done to increase transparency and reduce errors in import and export activities," he added.

policy support as economic activities are yet to gain momentum following the pandemic-induced slowdown, a Bangladesh Bank official said.

In addition, some European countries, which are major destinations for the country's exports, are also yet to regain their business momentum.

Each member of the Bangladesh

Garment Manufacturers and Exporters Association and the Bangladesh Textile Mills Association will be allowed to enjoy a maximum of \$30 million in loans from the EDF.

They earlier enjoyed a maximum of \$25 million but the central bank increased the ceiling soon after Covid-19 had arrived in Bangladesh.

Exporters given more time to collect proceeds

FROM PAGE B1

Exporters will enjoy the support until December. The deadline of the facility was due to expire this month.

Bangladesh allowed exporters to receive funds from the EDF to adjust their loans under the suppliers' and buyers' credit facilities. The support will also continue until December.

The central bank has extended the

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার. বাংলাদেশ পুলিশ. পুলিশ সুপার-এর কার্যালয়. শিল্পাঞ্চল পুলিশ-১, ঢাকা. দরপত্র বিজ্ঞপ্তি. The Public Procurement Act'-2006, 'The Public Procurement Regulation'-2008 ও তৃতীয় সংশোধিত মোতাবেক শিল্পাঞ্চল পুলিশ-১, ঢাকার ২০২১-২০২২ অর্থ বছরের ১ম ও ২য় কোয়ার্টার (জুলাই-ডিসেম্বর/২০২১)-এর নিম্ন বর্ণিত কাজের জন্য টিকাদার নিয়োগের লক্ষ্যে প্রকৃত বাংলাদেশী অভিজ্ঞ টিকাদার/সরকারীকর্তা প্রতিষ্ঠানের নিকট হতে নিম্ন বর্ণিত কাজের প্যাকেজ সীমামোহনকৃত সুখরক বামে প্রতিযোগিতামূলক উন্মুক্ত দরপত্র আহ্বান করা যাচ্ছে।

Mawlana Bhashani Science and Technology University (MBSTU) Planning, Development & Works office Santosh, Tangail-1902. Memo No. PDW/e-GP/Economics/2020-21/12/57 Date: 06/06/2021 e-Tender Notice (OTM) No. 05/2020-2021 e-Tender is invited in the National e-GP System Portal (http://www.eprocure.gov.bd) for the Procurement of Scientific/Medical Equipment under the Strengthening of Mawlana Bhashani Science and Technology University Project this Tenders are as follows:

Lift VAT on crockery, plastic toys

Manufacturers place 15-point demand



STAR BUSINESS REPORT

Plastic goods makers and exporters have demanded withdrawal of value-added tax (VAT) on crockery and plastic toys in the national budget for 2021-22 fiscal year.

It was proposed in the new budget that the corporate tax on plastics sector will be reduced by 2.5 percentage points to 30 per cent, but plastic goods makers want it to fix at 10 per cent.

These were two of the 15 demands that Shamim Ahmed, president of Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA), placed yesterday at a press conference at the association's office in the city's Paltan area.

"We want the government to reduce the existing tariff rate from 10 per cent to 5 per cent on filler master batch and color master

batch," he said.

The association also suggested the government cut the tariff rate of aluminum bottom foil and aluminum blister foil from 5 per cent to 1 per cent.

Since domestic toys are of very high quality and an alternative to imports, BPGMEA urged the government to reconsider the proposal to increase the tariff on imported toys.

A lot of factories in the plastics sector got closed and listed as sick industries since the beginning of the Covid-19 pandemic, Ahmed said.

Thousands of employees and officials have become unemployed from the labour intensive industry and the owners of the factories are now struggling to repay loans.

Even many export-oriented companies are being listed as sick industries, he said.

In this context, the 3 per cent advance tax imposed on the plastics industry in the proposed budget for FY22 will only create pressure on the local players, Ahmed said.

READ MORE ON B3

Northern districts, the dark horse of local tea industry



Tea cultivation has created employment opportunities for about 25,000 people, a large number of whom are women, in Panchagarh and Thakurgaon. The photo was taken recently.

PHOTO: QUAMRUL ISLAM RUBAIYAT

QUAMRUL ISLAM RUBAIYAT, Thakurgaon

Most of the land in Rangpur's Panchagarh and Thakurgaon districts, particularly those that border India, were non-arable just a few decades ago, when the region closely resembled a desert of sand and stone.

Besides, the job scarcity in northern districts meant that local low-income groups faced many hardships.

Considering the situation, Prime Minister Sheikh Hasina visited the region in 1996, the same year she assumed office, to speak with the then Deputy Commissioner of Panchagarh, Rabiul Islam, about the prospect of tea cultivation.

After hearing his opinion, the prime minister asked Islam to begin cultivating tea on an experimental basis.

At first, Islam planted the tea in pots before transplanting them onto a piece of land.

Hasina also asked her principal secretary to immediately instruct the tea board's chairman at the time to conduct a feasibility study on tea cultivation in the country's northern regions.

Inspired by the success of the experimental

phase, she then asked the authorities concerned to redouble their efforts.

As such, the tea board formed a three-member committee on October 13, 1999, to complete the feasibility study.

After visiting different upazilas of Panchagarh and Thakurgaon, the survey team compiled a report where they mentioned that the two districts collectively had about 40,000 acres of land that were suitable for tea cultivation.

Seeing potential in the industry, several members of Tea Professional Welfare Society decided to set up a small-scale tea plantation in Panchagarh under the banner of Tentulia Tea Company.

Brig Gen Daniel Islam, chairman of Bangladesh Tea Board at the time, formally inaugurated the company's compound on April 2, 2000, the same year that Kazi and Kazi Tea Estate began commercial production on a large scale in the same district.

In 2001, a sub-centre of Bangladesh Tea Research Institute was set up in Panchagarh.

The board went on to take numerous other initiatives to expand cultivation in the region, including discussion meetings, providing

training, distributing saplings, and arranging loans from Rajshahi Krishi Unnayan Bank at low interest rates.

It also provided irrigation sets for small growers under a "Development of Small Holding Tea Cultivation in Northern Bangladesh" project.

With this support and other motivations, tea cultivation enjoyed great success in the northern districts with farmers constantly becoming more interested to involve themselves in the industry.

Since then, the tea cultivation has created employment opportunities for about 25,000 people, a large number of whom are women, in Panchagarh and Thakurgaon.

Many of those who had very little to eat in the two districts are now self-reliant thanks to the industry. As such, Panchagarh and Thakurgaon have helped Rangpur emerge as the third largest tea producing division in the country after Chattogram and Sylhet.

Across five northern districts -- Panchagarh, Thakurgaon, Lalmonirhat, Dinajpur and Nilphamari -- there are about 50,000 acres of land suitable for tea cultivation, of which 10,170 acres are being used for that purpose this season.

READ MORE ON B2

Take bold initiative to re-skill workforce

Speakers urge govt at DCCI-Buet event

STAR BUSINESS DESK

Bangladesh should sort out the problems facing the industrial sector, ensure wider use of technologies, and take a bold initiative to re-skill the workforce to address the challenges of the fourth industrial revolution, speakers said yesterday.

"Bangladesh is going to be a developing nation. For this, we have to prepare ourselves to identify the problems of the industrial sector and ensure wider use of innovative technology and research," said Prof Satya Prasad Majumder, vice-chancellor of the Bangladesh University of Engineering and Technology (Buet).

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry (DCCI), echoed Majumder.

"Considering the challenges of the fourth industrial revolution (4IR), it is the best time to take the initiative of re-skilling

and upskilling our workforce," Rahman said. They came up with the comments at a virtual signing of a memorandum of cooperation between the DCCI and Buet, said a press release of the chamber.

Speaking at the ceremony, industry people and academia put emphasis on developing technologies and sector-specific research that met the demand of the industry.

They said Bangladesh was set to encounter a lot of challenges on its way to transformation.

"Buet will also focus on industry-driven research," Majumder.

The industry-academia collaboration will foster skill development as per the needs of industries, Rahman said. DCCI Senior Vice President NKA Mobin, Vice President Monowar Hossain and Buet's Pro-Vice Chancellor Prof Abdul Jabbar Khan were also present.

GLOBAL BUSINESS

China's imports grow at fastest pace in decade as materials prices surge

REUTERS, Beijing

China's imports grew at their fastest pace in 10 years in May, fuelled by surging demand for raw materials, although export growth slowed more than expected amid disruptions caused by Covid-19 cases at the country's major southern ports.

While a brisk recovery in developed markets has bolstered demand for Chinese products, a global semiconductor shortage, higher raw material and freight costs, logistics bottlenecks and a strengthening yuan have dimmed the outlook for the world's largest exporting nation.

China's exports in dollar terms in May grew 27.9 per cent from a year earlier, slower than the 32.3 per cent growth reported in April and missing analysts' forecast of 32.1 per cent.

"Exports surprised a bit on the downside, maybe due to the Covid cases in Guangdong province which slowed down the turnover in Shenzhen and Guangzhou ports," said Zhiwei Zhang, chief economist at Pinpoint Asset Management, adding that turnover at ports in Guangdong will likely remain slow in June.



Containers are seen at the Yangshan Deep Water Port in Shanghai, China, as the coronavirus disease outbreak continues, on October 19, 2020.

REUTERS/FILE

Major shipping companies warned clients of worsening congestion at Shenzhen's Yantian port in Guangdong province after the discovery of several cases among port staff. On the ground in Guangdong, factories have yet to report widespread capacity cuts over the outbreak but admitted efficiency issues as they tried to meet overseas demand.

Chen Linsheng, chief operating officer at Anlan, a Shenzhen-based manufacturer of skincare and beauty-care devices, told Reuters while there was no impact on production, staff are now subject to a series of Covid tests and not allowed back into the factory without a negative result.

"We are not allowed going out (of the city). We need to report in advance and cannot even go to Guangzhou or Foshan on our own," said Chen, adding that a lot of meetings have moved back online.

Besides the impact of Covid cases in Guangdong, the global chip shortage has started to hit all of China's export items related to semiconductors, said Iris Pang, Greater China chief economist at ING. For example, auto processing products and parts, the biggest export item, fell 4 per cent from a year earlier, Pang added.

NEWS In Brief

Euro zone investor morale rises to highest level since Feb 2018

REUTERS, Berlin

Investor morale in the euro zone rose for the fourth month in a row in June, reaching its highest level since February 2018, lifted by reopening restaurants and tourism resuming as coronavirus cases fall, a survey showed on Monday.

Sentix's index for the euro zone climbed to 28.1 from 21.0 in May. A Reuters poll had pointed to a reading of 26.0. A current conditions index surged to 21.3 from 6.3. An expectations index eased to 35.3 from 36.8 a month earlier.

"The eurozone is increasingly leaving the painful losses of the Corona year behind," said Sentix Managing Director Manfred Huebner. "However, there is a downside to the strong economy and that is foreseeable rising prices."

Sentix surveyed 1,139 investors from June 3 to June 5.



REUTERS/FILE

People enjoy an evening drink at Place de la Contrescarpe in Paris as cafes, bars and restaurants reopen after closing down for months amid the coronavirus disease outbreak in France, on May 19.

G7 tax deal does not unfairly benefit US, OECD says

REUTERS, London

A landmark deal to reform corporate tax payments proposed by the Group of Seven on Saturday will not unfairly benefit the United States, the Organisation for Economic Co-operation and Development said on Monday.

"I wouldn't agree with your characterisation that this particularly benefits the US," OECD Secretary-General Mathias Cormann told BBC radio.

"I think you'll find that there are a number of very large multinational US companies that will end up paying more tax in countries around the world, where perhaps at the moment that is not the case," he said.

Cormann said he expected Amazon would be among the companies covered under the new rules. The OECD has been instrumental in drawing up new international tax proposals.

US officials up pressure on firms over cyberattacks

REUTERS, Washington

US officials on Sunday ratcheted up pressure on companies and foreign adversaries to fight cybercriminals, and said President Joe Biden is considering all options, including a military response, to counter the growing threat.

The Biden administration is looking at "all of the options," to defend the country against ransomware criminals, US Commerce Secretary Gina Raimondo said in an interview on Sunday, when asked if military action was being considered.

Raimondo did not detail what those options could look like, but said the topic will be on the agenda when the president meets with Russian President Vladimir Putin this month. The rising threat

of cyberattacks has pushed the Biden administration into a more aggressive stance against Russia, which is thought to be harboring some of the perpetrators.

"We're not taking anything off the table as we think about possible repercussions, consequences or retaliation," Raimondo said. Last weekend, the world's largest meatpacker was targeted by cybercriminals and in May, the largest fuel pipeline in the United States was attacked, stoking fears over supply disruptions of food and fuel.

US adversaries have the ability to shut down the country's entire power grid, Energy Secretary Jennifer Granholm said separately in an interview with CNN, noting "thousands of attacks on all aspects of the energy sector".



REUTERS/FILE

US Energy Secretary Jennifer Granholm speaks about the Colonial Pipeline cyberattack shutdown during a press briefing at the White House in Washington, US on May 11.