

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	52,328.51	29,019.24	3,175.81	3,599.54	83.95	101.09	117.84	12.89	
5,975.89	10,436.23	(per ounce)	(per barrel)					BUY TK	84.95	104.89	121.64	13.55
								SELL TK				



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.

READ MORE ON B2

INTRODUCING NEW
HOTLINE NUMBER
16704

dbi CERAMICS

facebook.com/dbiceramics
www.dbiceramics.com

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.

READ MORE ON B3



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.

READ MORE ON B3

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.

READ MORE ON B3

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.

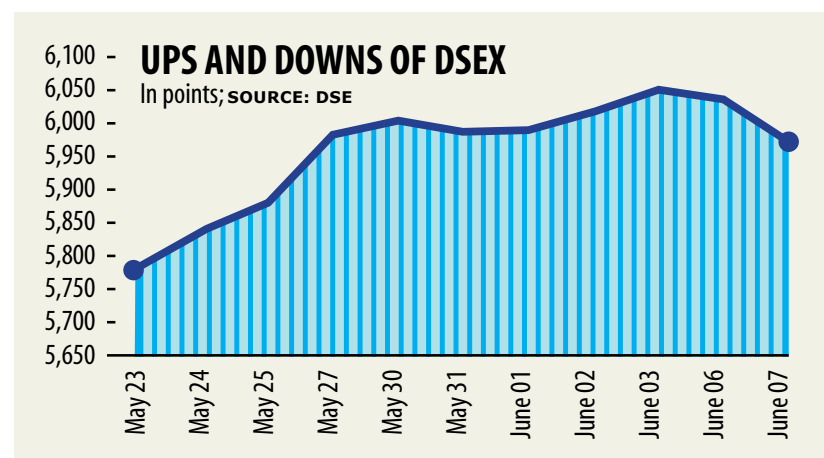
Stocks of Beximco Limited and Grameenphone were the top contributors to the plunge as they collectively brought the DSEX down by 31 points, as per data from amarstock.com, a market analysis website.

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