

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.19%	▲ 0.37%	\$1,892.64	\$72.79	▲ 0.69%	▲ 0.34%	▲ 0.29%	▲ 0.54%	BUY TK 83.95	101.10	117.62	12.92
6,066.64	10,594.42	(per ounce)	(per barrel)	52,300.47	28,958.56	3,162.50	3,610.86	SELL TK 84.95	104.90	121.42	13.58



Star BUSINESS

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Relief for customers as BB lowers charges on deposits, loans

STAR BUSINESS REPORT

The central bank yesterday fixed charges on the deposits and loans, bringing an end to the excessive fees and commissions levied by many banks on customers.

In a new development, clients will be able to open a savings account with an initial deposit of Tk 500 and a current account with Tk 1,000.

The Bangladesh Bank decision came after some banks asked clients to keep an unusual amount of deposits in their accounts.

The central bank also cut some service charges.

For instance, a borrower earlier had to count 2 per cent of the outstanding loan amount for an early settlement of a credit.

Now, clients will pay 0.50 per cent in charge if they settle it early, according to a central bank notice.

Banks will not be allowed to impose any early settlement fees on the loans disbursed to cottage, micro, small and medium enterprises (CMSMEs).

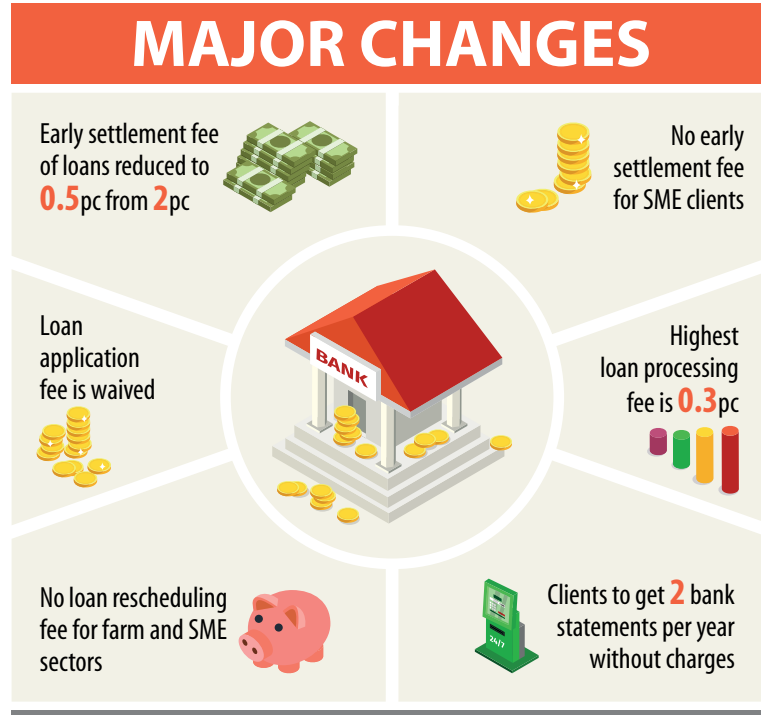
For the disbursement of loans up to Tk 50 lakh, lenders can charge a maximum of 0.5 per cent in the processing fee. The fee will not go past Tk 15,000.

If the loan amount is more than Tk 50 lakh, the processing fee can be 0.3 per cent, and the amount will not be more than Tk 20,000.

Banks cannot impose any loan application fee.

Businesses in the CMSMEs and the farm sector will be allowed to reschedule their default loans without any charge.

During rescheduling loans, other sectors will pay a maximum of 0.25 per cent of their outstanding loans. The amount will not be more than Tk 10,000.



Banks earlier imposed loan application and rescheduling fees on their own, creating a burden for the clients, a central bank official said.

Lenders will have to provide a balance confirmation certificate, or bank statement, to clients twice a year free of cost. After that, clients will have to pay Tk 100 for each

statement. Some banks now charge up to Tk 500-Tk 700 for the issuance of such certificates.

Banks cannot impose any charge to activate dormant accounts.

Clients will make a payment of a maximum of Tk 200 to collect a solvency certificate.

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Zaved Akhtar

Zaved new CEO of Unilever Bangladesh

STAR BUSINESS REPORT

Zaved Akhtar has been appointed as the chief executive officer and managing director of Unilever Bangladesh Limited (UBL).

UBL announced the appointment yesterday with Akhtar likely to assume his new post from July 1, 2021, according to a press release.

Akhtar is the second Bangladeshi to be handed the position following Kamran Bakr, who previously served as the CEO and MD of UBL from 2012 to 2017.

He will succeed Kedar Lele, who served since January 2018 and will now continue as chairman of Unilever Bangladesh.

Akhtar is currently serving as vice president

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Uber halts CNG service just after launch

MAHMUDUL HASAN

Uber suspended its CNG-run auto-rickshaw service in Dhaka soon after its rollout, citing "mechanical faults."

Both the introduction and suspension of the service was done without making any official announcement. The San Francisco-based ride-hailing company did not issue a statement on the matter despite always having done so in the past when announcing any new move.

Some customers had come across the service while using the app to request a ride.

After seeing "CNG service" on the Uber app, Imran Hossain, a private job-holder, requested a trip to go to Bangabandhu Sheikh Mujib Medical University from Shahjadpur in the capital.

"My request was accepted, and the app showed the fare to be about Tk 300. However, it was cancelled after a few minutes. Now the app does not display the CNG service option," Hossain told The Daily Star yesterday.

The Daily Star obtained several screenshots showing the route of a trip on the app and the messages Uber sent to its customers following the cancellation of a request. "Our CNG service will remain suspended for a temporary period because of mechanical faults. We will come back with our next update soon," Uber wrote in a message.

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MA Mannan

Man behind the rise of Butterfly

JAGARAN CHAKMA

Butterfly Group has made its name in Bangladesh with its consumer electronics available on hire purchase, transforming in 34 years from just three outlets to employing around 2,000 employees and having an annual turnover of Tk 850 crore.

Working behind the scenes was its founder and chairman MA Mannan, who breathed his last on June 9 at the age of 78. He left behind his wife, two sons and a daughter.

Mannan's life started off no different than any other ordinary Bangladeshi. Born in Gazipur's Sreepur

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Regulatory environment should improve further

Says FICCI chief



REFAYET ULLAH MIRDHA

Bangladesh needs to bring in further progress to the business regulatory environment in order to retain and attract foreign investors, said the top leader of the trade body of global firms operating in the country.

"The proposed corporate tax cut is not enough. Other facilities like the ease of doing business are also needed," said Rupali Chowdhury, president of the Foreign Investors' Chamber of Commerce and Industry (FICCI).

The platform has welcomed the 2.5 percentage points cut in the corporate tax rate for the next fiscal year.

While unveiling the budget on Thursday, Finance Minister AHM Mustafa Kamal proposed to cut the tax on non-listed companies to 30 per cent from 32.5 per cent and the rate for listed companies to 22.5 per cent from 25 per cent for the next fiscal year, starting July 1.



Rupali Chowdhury

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Bangladesh's stock market a hidden gem: HSBC

STAR BUSINESS REPORT

Thanks to the potential of the country's listed companies, HSBC has termed Bangladesh's stock market as a "hidden gem" for fund managers.

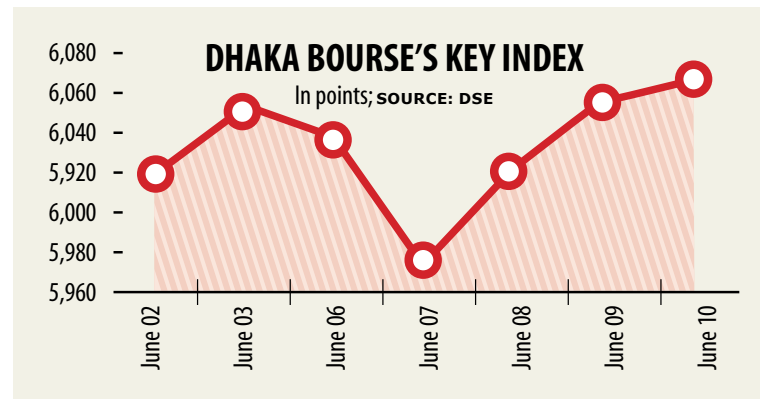
Although Bangladesh has higher earnings growth, the sell-side remains limited, the British multinational investment bank said in a report on the Asia frontier styled, "Bangladesh at 50: ready to close the gap with Vietnam".

With a market cap-to-GDP ratio of just 14 per cent, the country deserves more attention than it gets, it added.

Although the market is small, illiquid and not that easy to access, so was Vietnam's five years ago.

Besides, the two markets were similar in size until 2015, but Vietnam's has grown four times in size since then.

"We think Bangladesh is ready to close the gap as the country is less correlated with the global macro and equity themes than Vietnam and also receives far less attention from analysts, creating opportunities for fund managers



looking for diversification and a hidden gems," the bank said.

Large Vietnamese companies are covered by the sell-side but this is not the case in Bangladesh, which is a fertile ground for fund managers.

Bangladesh's stock market is where Vietnam's was five years ago and is well placed to start closing the gap.

"Bangladesh is on a similar growth trajectory to Vietnam, the frontier market we have long favoured which now has higher trading turnover than Singapore," HSBC said.

Moreover, Bangladesh has a larger economy and population that are growing at a faster pace despite power shortages, poor infrastructure, a banking sector struggling with soured loans, and political issues.

The country also has a sound macro position and robust external balance sheet while its external debt is low and foreign exchange reserve coverage is high.

Regarding the local banking sector, HSBC said the level of non-performing loans (NPLs) is above 8 per cent, centred around

agriculture, large industries, and garment companies.

The main issue is a standard credit information system while recovering loans is complex and time consuming.

"The weak asset quality of Bangladeshi banks, especially in the public sector, remains a concern," it added.

However, Vietnam's banks used to have a similar problem with NPLs but thanks to strong growth in profitability, their balance sheets are now stronger.

HSBC went on to say that Bangladesh's pharma market has the potential to cross \$6 billion by 2025 as the government is easing its drug approval policies.

The country sources most of its raw materials from China and India but that is set to change as the government is setting up an industrial park to make active pharmaceutical ingredients.

In addition, leading companies have secured US FDA approval, giving them access to high-margin western healthcare markets, it added.

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Raise tariff on imported tiles

Local ceramic makers urge govt



STAR BUSINESS REPORT

Ceramics makers yesterday demanded an increase in the tariff on imported tiles and withdrawal of the local supplementary duty on tiles and sanitary products to protect the domestic industry.

There has been a 15 per cent supplementary duty on tiles and 10 per cent on sanitary items for the last several years. The budget for the next fiscal year has kept the duties unchanged.

Finance Minister AHM Mustafa Kamal has also proposed to cut the tariff on imported tiles by \$1 per square metre, which will bring down the price of foreign items by Tk 12 per square foot.

The government reduced the import tariff by the same margin in the outgoing fiscal year.

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How to maximise tax benefits?

Time to invest for claiming tax rebates

SOHEL PARVEZ

When Finance Minister AHM Mustafa Kamal unveiled his plans for the next fiscal year, many had expectations that the minister would offer some relief to individual taxpayers and enable them to have higher disposable incomes to tide over the pandemic days.

The cost of living has gone up due to the rising price of food and other expenses amid the ongoing coronavirus crisis while the second wave of infections has only added pressure on everyone's wallets.

But expectations remained unfulfilled. The finance minister had offered no relief, making taxpayers like Kazi Md Anisur Rahman, a banker, feeling a bit upset for not having any cushion against ongoing pandemic. Kamal made no move to leave the disposable incomes of individual taxpayers intact so that they could increase precautionary savings to overcome the tumultuous situation.

His tax liability will not reduce, although his expenditure for living, transport and hygiene increased over the last one year.



He sees his disposable income is going to decline. However, being a banker and a finance graduate, Rahman has perfectly planned to invest part of his income to reap the full benefit of tax rebates on investment.

For the next fiscal year, when the taxpayers will have to submit returns of their income and asset in their current income year 2020-21, a taxpayer can invest 25 per cent or up to Tk 1.5 crore of his or her annual income to claim a tax rebate, according to the tax measures proposed by the National Board of Revenue (NBR).

The maximum ceiling on investment to claim a tax rebate was Tk 1.5 crore or 25 per cent of taxable income in the outgoing fiscal year. The reduction is going to increase tax liability of high income individuals.

Rahman is not going to be affected for the reduction in investment limit. He has planned and invested part of his income to claim tax rebates in order to ensure maximum disposable income by complying with tax rules.

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