

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.50%	▼ 0.37%	\$1,876.64	\$72.69	▲ 0.33%	▼ 0.03%	▼ 0.14%	▼ 0.58%	BUY TK 83.95	100.59	117.54	12.89
6,036.05	10,554.85	(per ounce)	(per barrel)	52,474.76	28,948.73	3,157.97	3,589.75	SELL TK 84.95	104.39	121.34	13.55



# Star BUSINESS

DHAKA MONDAY JUNE 14, 2021, JAISHTHA 31, 1428 BS • starbusiness@thedailystar.net

## BB tightens rules to restore discipline in import financing

STAR BUSINESS REPORT

The central bank yesterday drew up a detailed guideline on post-import financing (PIF) to end the misuse of loans extended to pay for imported goods and bring discipline in the foreign exchange regime in the banking industry.

Previously, some delinquent borrowers frequently used the PIF window to siphon off money from lenders, compelling the Bangladesh Bank to prepare the guideline, said a central banker.

Under the PIF, banks extend loans to importers to help them pay the cost of the imported items within the stipulated time. This gives importers the opportunity to repay it after selling products.

Conventional banks earlier used to treat such financing as loans against trust receipts, while Shariah-based banks called it Murabaha trust receipts.

The central bank has asked banks to cite the lending product as PIF going forward, according to a BB



STAR/FILE

**The Bangladesh Bank head office is seen in Motijheel, Dhaka. The BB has asked banks to verify whether clients meet all conditions as per banking norms before they are allowed to enjoy the post-import financing facility.**

notice yesterday.

Importers have to pay back the loans under the facility within three months for consumer goods and six

months for industrial raw materials as per the previous instruction of the central bank.

Now, banks will be allowed to extend the repayment tenure by a month for consumer products and two months for industrial raw materials. Banks will have to take approval from their boards for such extension.

There have been many examples that clients had not repaid the loans taken under the PIF on time, the BB official said.

The delinquent borrowers converted their PIFs into term loans

by having them rescheduled. At one stage, the term loans defaulted, meaning the importers did not repay the loans despite selling their imported products, creating a problematic situation.

Banks have so far disbursed nearly Tk 52,000 crore in the form of PIF. A large portion of the fund is in the defaulted zone, the official said.

Mir Nasir Hossain, a former president of the Federation of Bangladesh Chambers of Commerce and Industry, said that everything should be done based on the bank-customer relationship. "If banks do not follow the rules, corporate governance in the banking industry will not improve," he said.

The central bank has asked banks to formulate a policy on the PIF following consent from the board.

Businesses that are owned by the same person will not be eligible for the PIF facility.

Banks will have to follow the BB guidelines on risk management and internal credit risk rating system before lending under the PIF.

The central bank asked banks to verify whether clients meet all conditions as per banking norms before they are allowed to avail of the facility.

Importers will have to keep mortgage with banks against the loans.

READ MORE ON B3

## Banks face IT audits

Objective is to determine their cyber security strength

### AT A GLANCE

- Digital Security Agency will carry out audits
- State-owned banks will be audited initially
- Rupali Bank set to be the first lender to undergo audit
- Among private lenders, Brac Bank will be audited first
- In February last year, IT audit was piloted on Sonali Bank



SHAHID BAPPY and AKM ZAMIR UDDIN

The ICT Division will likely commence an IT audit on banks next month to measure their capability to thwart cyberattacks as growing digitalisation and remote working arrangements have augmented the financial sector's exposure to online crimes.

The Digital Security Agency, a wing of the ICT Division responsible for tackling cyber threats, will carry out the audit as most banks are vulnerable to cyber-criminals in the absence of an effective security system.

Tarique M Barkatullah, director of operations at the Agency, said almost all the preparations needed to begin the audit are complete.

"The agency will commence the audit within the next two months. We have already arranged several meetings with the stakeholders to conduct it."

Banks in Bangladesh are increasingly

embracing digital banking means by rolling out various retail banking products. For instance, many banks have already introduced app-based banking, enabling clients to carry out banking activities online. In addition, some banks are setting up cash recycling machines to replace the existing automated teller machines at a fast pace.

The ongoing coronavirus pandemic has given a boost to these digital initiatives as they help people settle transactions without having to visit their local branches.

Against this backdrop, there is a strong requirement to strengthen IT security in the banking sector.

S&P Global ratings firm has said banks are key targets as direct sources of finance, because of their key infrastructure role and also their possession of a wide range of sensitive personal data, according to Reuters.

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## Price hike of essentials weighs on 90pc people

Say speakers at CAB webinar

STAR BUSINESS REPORT

Around 90 per cent of people of Bangladesh are forced to buy low-quality products when the prices increase as their incomes do not go up in keeping with the upward movement of basic items' prices, speakers said yesterday.

"As the prices of goods increase, the income does not go up, which puts pressure on the family.

As a result, mental and intellectual development is disrupted," said Rajekuzzaman Ratan, the general secretary of the Samajtantrik Sramik Front.

He said 90 per cent of the population faced pressure when prices of essential items rose.

"They compromise with the quality of food and suffer from malnutrition. This impacts the next generation."

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**Experts demanded a permanent wage commission to restore consistency between market price and wage.**

STAR/FILE

## Development spending will barely impact youths

Says Sanem in its analysis

STAR BUSINESS REPORT

Only 14 per cent allocation of the annual development programme for the fiscal year of 2021-22 will directly contribute to the development of youths although they make up a majority of the population, according to a think-tank yesterday.

"Sixty per cent of projects will have no positive impact on youths," said an analysis of the South Asian Network on Economic Modeling (Sanem).

The research organisation shared the findings of its analysis at a webinar



on "National Budget 2021-22 from Youth Perspective", jointly organised by the Sanem and ActionAid Bangladesh yesterday.

While comparing the ADP allocation in the budget and the planned ADP allocation in the 8th Five-Year Plan, Sanem Senior Research Associate Eshrat Sharmin

said several key ministries, including the Ministry of Primary and Mass Education, the Ministry of Youth and Sports, the Information and Communications Division and the Health Services Division, had received smaller budgetary allocations than planned.

In particular, the ADP allocation for the Department of Youth Development has seen a massive reduction in the latest budget, from Tk 42.6 crore in FY20-21 to Tk 1.9 crore in FY21-22.

READ MORE ON B3

## Facebook gets VAT registration

STAR BUSINESS REPORT

Social media giant Facebook yesterday received the value-added tax registration from the National Board of Revenue after two years of stalemate.

Three entities of Facebook - Facebook Technologies Ireland Ltd, Facebook Ireland Ltd, and Facebook Payments International Ltd - got the Business Identification Number (BIN) from the Dhaka South VAT Commissionerate, said Pramila Sarker, additional commissioner of the field office.

Facebook's move comes nearly two weeks after Google and e-commerce company Amazon's secured the BINs.

In July 2019, the NBR made it



mandatory for tech giants to either set up offices in Bangladesh or appoint agents so that the government can collect VAT on the advertisements and other services provided by them to local firms.

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## Ring Shine to resume partial production

STAR BUSINESS REPORT

Shareholders of Ring Shine Textiles were all smiles after news broke that the company would partly resume production after about nine months' closure.

As a result, the listed garment exporter's stocks rose by around 1 per cent to Tk 11.

In a disclosure on the Dhaka Stock Exchange (DSE) website, the company said it would resume production from June 13 at 25 per cent of its full capacity.

The factory lay-off was also accordingly withdrawn yesterday. Citing the economic turmoil brought about by the ongoing coronavirus pandemic, Ring Shine declared a lay-off last September.

The Bangladesh Securities and Exchange Commission had

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## BSCIC launches one-stop service

STAR BUSINESS REPORT

Bangladesh Small and Cottage Industries Corporation (BSCIC) inaugurated its "one-stop service" yesterday to attract domestic and foreign investment.

The service would help businesses get trade licences, land registration, naming, environmental clearance and many other certificates from BSCIC.

Businesses can now apply online and get

these services from a single platform.

"BSCIC has entered into a new era with the inauguration of the One Stop Service Centre.

There is no alternative to one-stop service in building a Digital Bangladesh," said Nurul Majid Mahmud Humayun, industries minister, after launching the service at a function at InterContinental Dhaka.

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Heartfelt  
Congratulations to

**BANGLADESH GARMENT  
MANUFACTURERS AND  
EXPORTERS ASSOCIATION  
(BGMEA)**

for receiving the prestigious

**2021 USGBC  
LEADERSHIP  
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as a recognition for the exemplary  
leadership in developing Bangladesh as  
the home of the highest number of green  
garment factories in the world.

**143**

LEED Green Readymade  
garment factories certified  
by the U.S. Green Building  
Council (USGBC)

**41**

PLATINUM

**89**

GOLD

**12**

SILVER

**PACIFIC  
JEANS**



PUBALI BANK

**Abduhu Ruhul Masih, general manager of consumer credit division of Pubali Bank, and Md Sharif Hossain Bhuiyan, chief executive officer of Sheltech, signed a memorandum of understanding at the bank's head office in Dhaka yesterday to provide loans in easy monthly instalments at an attractive interest rate for the purchase of flat, office or commercial space from the realtor. Safiul Alam Khan Chowdhury, managing director and CEO of Pubali Bank, and Tanvir Ahmed, managing director of Sheltech, were also present.**



NCC BANK

**Mohammad Mamdudur Rashid, managing director and CEO of NCC Bank, and Maruf Alam, chairman of I-Clique Solutions, signed an agreement on behalf of their companies on upgrading the payment system to help the bank's credit and debit card-holders avail services faster and in a secured way. The bank's Senior Executive Vice President Muhammad H Kafi, Deputy Managing Director Khondoker Nayeemul Kabir, and I-Clique Solutions' Managing Director and CEO Mohammad Salahuddin were also present.**

## Merkel hopes for G7 infrastructure plans in 2022

REUTERS, Carbis Bay, England

German Chancellor Angela Merkel on Sunday said she hoped that a new Group of Seven task force can present first infrastructure projects in developing countries in 2022.

The world's seven most advanced economies signalled during the summit a desire to build a rival to China's multitrillion-dollar Belt and Road initiative. US President Joe Biden and other G7 leaders hope their plan, known as the Build Back Better World (B3W) initiative, will help narrow the \$40 trillion needed by developing nations by 2035, the White House said.

It was not immediately clear how exactly the plan would work or how much capital it would ultimately allocate. The G7 had recognised that they had to deliver support for the development of poorer countries, Merkel said at a news conference.

"For countries in need of development, only concrete projects count," she said. "I hope that we will be able to present such projects already during the next G7 summit, which will be in Germany." Germany will take over the G7 presidency from Britain next year.

On the issue of exiting the use of CO<sub>2</sub>-polluting coal, Merkel said that finding a

concrete, joint date for ending its usage had not been possible. A draft of the summit's final declaration, seen by Reuters, said there was an intention to get out of coal to most extents.

It also pledged support of \$100 billion annually for developing countries to support them in their fight against climate change, for which Germany raised its contribution promises.

On the issue of forced labour, Merkel, referring to China as an example, said the G7 had clearly stated what it considered to be deficits.

"In many international locations, democracy cannot be lived in the way that we imagine and where there is human suffering," she said.

## China's Geely to press on with methanol vehicles, chairman says

REUTERS, Beijing

Chinese automaker Geely will keep working on vehicles powered by methanol even though the effort may fail, chairman Li Shufu said on Sunday.

Zhejiang-based Geely, among a small number of automakers developing methanol-powered vehicles, is testing methanol taxis in some western Chinese cities as well as developing methanol-powered trucks at its commercial vehicles unit.

Li said Geely, which owns Volvo Cars and 9.7 per cent stake in Daimler AG, invested in Carbon Recycling International, an Icelandic company, to work on technologies to produce methanol with

carbon dioxide, in a way to lower overall carbon emissions.

"We will keep exploring methanol vehicle technologies. Of course it might fail in the end, but currently we are still working on it," Li told an industry conference in the western city of Chongqing, without elaborating. Methanol fuel would boost China's energy independence as the country has huge amounts of coal, which can be converted to methanol. Geely's Li has also said he expects methanol vehicles to be cleaner than gasoline models.

Li did not offer details of the technology. He has told Reuters that Geely would expand production of methanol-powered vehicles.

## Budget for building Digital Bangladesh

FROM PAGE B4

There should be a clear plan of how local companies can be involved in the digitalisation process of ministries, departments, and directorates.

Although the software and ITES businesses have been exempted from the corporate tax until 2024, the sector has suffered a lot in the last 15 months due to the pandemic.

More local and foreign investments are needed in this sector. To draw investors, the tax exemption period should be extended to 2030 as proposed before the budget. The sooner this announcement comes, the more investors will be interested in investing in the sector. I request the government to consider the matter very seriously.

Internet is now one of the main ingredients for all kinds of business. All types of digital activities are going on through internet. To make it easily available and affordable, it is necessary to remove VAT on internet and recognise internet service as ITES. The government must look at the bigger picture and stop taxing the medium that can propagate many new online businesses, like digital commerce, telemedicine, video-streaming, OTT (over-the-top) services, etc. These new businesses can generate more tax revenue than the government now gets from internet services.

If broadband internet services can be expanded to remote areas at an affordable rate, the young people will be able to start their own ventures using internet and start contributing to the economy. Therefore, the corporate tax exemption on internet service providers, a key stakeholder of the Digital Bangladesh Vision, will lead to infrastructural development and increased employment and economic activities.

Bangladeshi IT companies now have the experience to execute big

projects. These local companies have been successful in implementing big projects locally, such as driving licence, national identification card, vehicle registration plate, Hajj management, and data centre. It is possible to replicate these projects without much effort in other underdeveloped or developing countries.

If there is a government-to-government agreement between Bangladesh and other countries that Bangladesh will finance the implementation of these projects on the condition that the work has to be done by Bangladeshi companies, then our local companies will get international exposure and experience. As a bonus, the money will return to the local economy. This way, the image of Bangladesh in the world market will broaden, and Bangladesh will be rebranded and recognised as a country of skilled workforce.

The BASIS had proposed to set aside Tk 500 crore as a technical assistance project in the budget. I request the finance ministry to consider the matter.

During pre-budget discussions, the BASIS had also requested a special allocation of Tk 300 crore to increase the involvement of women in the ICT sector. Participation of women in the sector can be greatly accelerated if easy loans are arranged for women entrepreneurs at an interest rate of 2 per cent from this special fund.

The proposal to increase the corporate tax rate for mobile financial service (MFS) providers is quite confusing. Even though this will not affect the MFS providers immediately as none of them is making any profit, this will surely slow down the gradual decline of the commission rate of money transfer. When the government is envisioning a cashless society, and we are proposing VAT exemption

and cash back incentives on digital transactions, the proposal to raise the tax rate is frustrating. I hope the finance ministry will reconsider the matter.

Currently, large scale infrastructure projects, such as Metrorail, Rooppur Nuclear Power plant, and a new airport terminal are being constructed. These projects will need software and services worth hundreds of crores of taka. The local industry must get this business and benefit from the government's expenditure for these projects. Patronising local companies for supplying ICT products and services will help the industry grow. It will also generate employment opportunities.

In the case of foreign contracts, local value-addition has to be ensured so that knowledge and technology transfer takes place. This will prove cost-effective for future maintenance and support and create a skilled human resources pool.

The proposed budget has recommended a 10-year tax exemption on training in about 25 subjects. But surprisingly, this does not include IT training.

The government plans to increase the number of IT professionals in the ICT sector to 20 lakh by 2025 from 10 lakh now. This trained workforce is essential for the successful and speedy implementation of the Digital Bangladesh Vision. Therefore, to encourage ICT training, it is necessary to announce tax exemption for it.

For the desired development of the information and communication technology sector and building coveted Digital Bangladesh, I earnestly hope that the policymakers will consider the above issues during the ongoing budget session of the parliament.

*The author is president of the Bangladesh Association of Software & Information Services.*

**Government of the People's Republic of Bangladesh**  
Office of the Registrar  
Rajshahi Medical University (RMU)  
Divisional Continuing Education Center (DCEC) Bhaban  
Rajshahi-6000.

Memo No- RMU/ Exam/MBBS/150/2019/943 Date: 13/06/2021

**INVITATION TENDER**

Sealed tenders are hereby invited from the bonafide experienced IT firm for MBBS, BDS, Nursing, Health Technology & Unani Medicine OMR form scanning and result processing of Rajshahi Medical University for the year of 2020-21 & 2021-22. As per PPA-2006 & PPR-2008 Terms and conditions are as follows:

KEY INFORMATION	
1	Ministry/Division
2	Agency
3	Procuring Entity Name / Designation
4	Procuring Entity Code
5	Procuring Entity District
6	Invitation for
7	Tender Ref. No.
8	Tender Publication Date
9	Procurement Method
FUNDING INFORMATION	
10	Budget and Source of Funds
11	Development Partners
PARTICULAR INFORMATION	
12	Project/Program Name
13	Tender selling start date
14	Tender Schedule selling last Date
15	Tender Closing Date and Time
16	Tender Opening Date and Time
17	Name and address of the Office's
INFORMATION FOR TENDERER	
18	Tenderer Eligibility
19	Brief Description of Works
20	Brief Description of Related Services
21	Price of Tender Documents Taka
22	Location
PROCURING ENTRY DETAILS	
23	Name of Official Inviting Tenders
24	Designation of Official Inviting Tenders
25	Address of Official for whom tender is invited
26	Contract person for detail about the work/activities relation to this tender and address.
27	Contact details of Official Inviting Tender

**Board of Intermediate and Secondary Education, Mymensingh**  
Office: 229/1, Jail Road (Kathgula Bazar), Mymensingh  
E-mail: [info@mymensingheducationboard.gov.bd](mailto:info@mymensingheducationboard.gov.bd)

**Office of the Secretary**  
Office: 229/1, Jail Road (Kathgula Bazar), Mymensingh  
E-mail: [secretarybisemym@mymensingheducationboard.gov.bd](mailto:secretarybisemym@mymensingheducationboard.gov.bd) Phone: 091-53334  
Ref: e-GP/Goods/SSC-HSC21 Foil Pack/003

**e-Tender Notice**

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the following procurements:

Sl. No.	Tender ID	Invitation Reference No.	Tender description	Publication date and time	Closing date and time
1	586664	e-GP/Goods/SSC-HSC21 Foil Pack/003	1: Aluminium Foil Pack Three Layer & Three side sealing 1. Packet for Questions Paper Small Packet Size- 9.1 inch X 12 inch 16.50 gm- 5 Thickness- 100 microns 3 Layer Mate lamination 3 Side Sealing Port round and Printing Status- No Printing for SSC & HSC-2020 30000 Pcs. 2: Packet for Questions Paper large Packet Size- 16.05 inch X 12 inch 30 gm-5 Thickness- 100 microns 3 Layer Mate lamination 3 Three Side Sealing Port round and Printing Status- No Printing For SSC & HSC-2020 200000 Pcs.	14-06-2021	29-06-2021

For detailed information please visit the following link: <http://www.eprocure.gov.bd>

This is online tenders, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copy will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

**Professor Kirit Kumar Dutta**  
Secretary  
Board of Intermediate and Secondary Education, Mymensingh  
229/1, Jail Road (Kathgula Bazar), Mymensingh  
Phone: 091-53334

GD-1193

# G7 pledges cooperation on carbon leakage as EU border tariff looms

REUTERS, Brussels  
The Group of Seven leaders on Sunday pledged to work together to tackle carbon leakage, weeks before the European Union is due to propose a world-first plan to impose CO2 emission costs on imports of certain polluting goods.

As large emitters such as the EU wrestle with how to meet targets to cut CO2 emissions drastically and quickly, concerns are rising about so-called carbon leakage - the risk that tough climate policies could cause companies to relocate to regions where they can continue to pollute cheaply.

"We... acknowledge the risk of carbon leakage, and will work collaboratively to address this risk and to align our trading practices with our commitments under the Paris agreement," G7 leaders said on Sunday in a joint communique.

The leaders said policies to put a price on CO2 will help them decarbonise their economies.

They steered clear, however, of mentioning carbon border fees - an idea set to take centre stage next month, when the EU will propose its long-awaited plan to force importers to pay for their emissions.

A draft of the EU policy would require importers of iron and steel, aluminium, cement, fertilisers, and electricity to buy digital certificates to get their goods over the EU border. Each certificate would represent a tonne of CO2 emissions embedded in the goods.

"Carbon pricing matters. We need to address carbon leakage to create (a) global level playing field," European Council President Charles

Michel said in a tweet after the G7 meeting. Brussels says the policy is needed to put EU firms on an equal footing with competitors in countries with weaker climate policies.

However, it has stoked opposition from countries including Russia, for whom it could make access to the EU market more expensive

for certain goods. It could also hit some G7 members. The draft proposal would apply to some goods Britain and the US sell into Europe, including steel and fertilisers. Brussels has said countries with sufficiently ambitious climate policies may be able to dodge the fee.



Canada's Prime Minister Justin Trudeau, Britain's Prime Minister Boris Johnson, France's President Emmanuel Macron and US President Joe Biden attend a working session during G7 summit in Carbis Bay, Cornwall, Britain on June 12.

# Oil hits multi-year highs in third weekly gain on demand recovery

REUTERS, New York  
Oil prices reached fresh multi-year highs on Friday, closing out a third straight week of gains on an improved outlook for worldwide demand as rising Covid-19 vaccination rates help lift pandemic curbs.

Brent crude futures settled at \$72.69 a barrel, rising 17 cents after reaching their highest since May 2019. For the week, Brent was up 1 per cent.

US West Texas Intermediate (WTI) crude futures settled at \$70.91 a barrel, up 62 cents, settling at their highest since October 2018. WTI was up 1.9 per cent on the week.

"Demand is coming back faster than supply and we're going to need more supply to meet that demand," said Phil Flynn, senior analyst at Price Futures Group in Chicago.

The International Energy Agency (IEA) said in its monthly report that the Organization of the Petroleum Exporting Countries and allies, known as OPEC+, would need to boost output to meet demand set to recover to pre-pandemic levels by the end of 2022.

"OPEC+ needs to open the taps to keep the world oil markets adequately supplied," the Paris-based energy watchdog said.

It said that rising demand and countries' short-term policies were at odds with the

IEA's call to end new oil, gas and coal funding.

"In 2022 there is scope for the 24-member OPEC+ group, led by Saudi Arabia and Russia, to ramp up crude supply by 1.4 million barrels per day (bpd) above its July 2021-March 2022 target," the IEA said.

US investment bank Goldman Sachs said it expects Brent crude prices to reach \$80 per barrel this summer as vaccine rollouts boost global economic activity.

"The rollout of the vaccine in North America as well as Europe is helping to restore demand at the same time that OPEC+ has reigned in production," helping propel oil prices, said Andy Lipow of Lipow Oil Associates in Houston.

Data showing road traffic returning to pre-Covid-19 levels in North America and most of Europe was encouraging, ANZ Research analysts said in a note.

"Even the jet fuel market is showing signs of improvement, with flights in Europe rising 17% over the past two weeks, according to Eurocontrol," ANZ analysts said.

In an indication of future supply, US oil rigs rose by six to 365 this week to their highest since April 2020, energy services firm Baker Hughes Co said in its weekly report. [RIG/U] It was the biggest weekly increase of oil rigs in a month.

# G7 agrees to end new govt support for coal power by end of 2021

REUTERS, Carbis Bay, England  
The Group of Seven nations on Sunday pledged to rapidly scale up technologies and policies that accelerate the transition away from unabated coal capacity, including ending new government support for coal power by the end of this year. The countries, in a communique following their summit in Britain, confirmed pledges to increase climate finance contributions as part of efforts to reduce emissions that contribute to climate change and help a move toward cleaner energy, although climate groups said firm cash promises and other details were missing.

# BB tightens rules to restore discipline in import financing

FROM PAGE B1  
Clients will not get any fresh PIF facility if their previous loan remains outstanding. But if clients face any unexpected adversity, banks can offer the facility with approval from the board. Lenders have been barred from stating the PIF as term loans even if they reschedule the credit. Banks will have to set up a PIF monitoring unit to recover the loans. A skilled team who has strong knowledge of foreign exchange rules must be appointed for the cell. The internal audit department of banks will carry out an audit every three months to monitor the loan status under the lending facility. If required, audits should be conducted on an emergency basis at any time, the BB notice said.

# Stocks fall amid profit booking

FROM PAGE B4  
At the DSE, 159 companies' stocks rose, 192 fell and 21 remained the same. The Bangladesh Industrial Finance Company topped the gainers' list, rising 10 per cent, followed by Paper Processing & Packaging Company, Bangladesh Monospool Paper Manufacturing and Shurwid Industries. After returning to the main market from the Over the Counter (OTC), Paper Processing and Bangladesh Monospool Paper took place on the top gainers' list. Beximco traded the most with Tk 218 crore followed by Orion Pharmaceuticals, Fortune Shoes, Green Delta Insurance, and LankaBangla Finance. Dhaka Insurance shed the most, dropping 11.49 per cent followed by GBB Power, Global Insurance, Bangladesh General Insurance, and National Feed Mills. The Chittagong Stock Exchange (CSE) also fell yesterday. The CASPI, the general index of the port city bourse, dropped 56 points, or 0.32 per cent, to 17,528. Among 322 traded stocks, 144 advanced, 156 dropped and 22 remained the same.

# Ring Shine to resume partial production

FROM PAGE B1  
restructured the company's board in January this year with an aim to change its non-performing status. The stock market regulator also allowed Ring Shine to utilise its Tk 40 crore IPO funds, which was banned previously. The company raised funds worth Tk 150 crore from investors in 2019 to set up denim manufacturing units and repay bank loans but the regulator froze its bank accounts in February last year due to various irregularities. Now, its new board of directors is trying to resume full production after primarily deciding to start with 25 per cent of the production capacity. After the board was restructured, investors have been hopeful of the company's return to profitability, which has been reflected in its stock price. Over the past one-and-a-half months, the company's stocks soared to Tk 11 while it was Tk 4.80 earlier, DSE data showed.

# BSCIC launches one-stop service

FROM PAGE B1  
The initiative will help entrepreneurs get their desired services within the shortest possible time, said Md Mushtaq Hasan, chairman of BSCIC. "This will attract new domestic and foreign investments in BSCIC industrial cities and will accelerate eco-friendly industrialisation in the country." Kamal Ahmed Majumder, state minister for industries, and Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, were also present at the event.

# Development spending will barely impact youths

FROM PAGE B1  
In the analysis of the proposed ADP for 22 ministries for the next fiscal year, she said inadequate skill formation due to disruptions in learning activities, rising poverty and inequality, lack of nutrition, unwanted pregnancies and mental health issues will create a lasting impact on the socio-economic development of the country. So, allocations needed to be increased for youth education, healthcare and job creation amid the ongoing Covid-19 pandemic, speakers said, while calling upon the government to take steps to ensure easier access to stimulus packages for youths involved in the SME sector. Addressing the programme, Sanem Research Director Prof Sayema Haque Bidisha said that youths had been affected by the ongoing pandemic through two main channels, namely education and employment. On the one hand, the pandemic

has exacerbated the digital divide and inequality in access to education. But, on the other hand, the pandemic has created several challenges for fresh graduates and new entrants to the labour force who are looking for decent employment. The government must focus on making the national budget more youth-centric to reap the benefits of Bangladesh's demographic dividend, Bidisha said. ActionAid Bangladesh Country Director Farah Kabir urged the government to focus on the youth and use their potential to drive economic prosperity within the country. She also stressed the need to facilitate data collection and sharing between research organisations and policymakers to identify the worst-affected groups of the population and extend support to lift them out of their socioeconomic miseries. Farzeen Ferdous Alam, chairman of Oggro Ventures, said some good initiatives were taken in the previous

budget, but they had not been implemented appropriately. Selim Raihan, executive director of the Sanem, said the budget allocation for the youth was severely inadequate. "There remains a lack of special initiatives to solve the numerous crises faced by the young people during this time. Besides, there is a lack of supervision and evaluation in this regard," Raihan said. Nahim Razzaq, a lawmaker, reiterated the concerns of the research team and panellists regarding the gaps in policies to address the challenges facing the young population. Md Hasanul Islam, additional secretary of the Secondary and Higher Education Division; Mohammad Ismail, additional secretary of the social welfare ministry; Nashid Rizwana Monir, deputy secretary of the expatriates' welfare and overseas employment ministry; and Sabina Yeasmin, senior assistant secretary of the Technical and Madrasah Education Division, also spoke.

# Banks face IT audits

FROM PAGE B1  
Accelerated digitalisation and remote working arrangements have increased the financial sector's exposure to cyber-risks and could lead to more complex cyberattacks that trigger higher losses, it said. Initially, state-owned banks in Bangladesh will be audited, with Rupali Bank set to be the first. "After completing the audit programme in state-owned banks, the agency will verify the strength of private banks," Barkatullah said. Brac Bank will be the first lender among private banks to undergo an IT audit, which will take a maximum of five days to complete for each lender. In February last year, the agency carried out an IT audit on Sonali Bank on a pilot basis. "The piloting helped us make the decision," Barkatullah added. The audit team will scrutinise all IT infrastructures, ranging from core banking solutions to hardware, to detect loopholes that may become potential threats for the lenders. The agency will also verify whether

the banks follow the government's information security manual. Zunaid Ahmed Palak, state minister for ICT, said the government decided to conduct an IT audit to bring all the banks under official guidelines by pointing out their cyber-security flaws. The audit will identify the banks' cyber-security flaws and make recommendations for the necessary measures to solve them. The team will submit a full report to the Digital Security Agency on the companies that will implement their recommendations within a stipulated timeframe. "This will reduce the risks of the banking sector and make it safer," Palak added. Ali Reza Iftekhar, chairman of the Association of Bankers Bangladesh, welcomed the government's decision. "All kinds of cooperation will be extended in this regard. However, the details on how the IT audit process will start and the terms and conditions have not been finalised," he added. This is a good initiative by the

ICT Division to keep the financial institutions safe from cybercrime, according to IT expert Tanvir Hassan Zoha. "But the question is whether the Digital Security Agency and the Computer Incident Response Team have enough skilled workforce to conduct such an audit," he said. There are just 70 people in the two agencies, while the number of banks and non-bank financial institutions stands at 95. "How can they audit all these organisations?" added Zoha, also the managing director of Backdoor Private Ltd. He questioned how the ICT Division could complete these audits without assistance from the Bangladesh Bank, which lays down the laws and guidelines for the local lenders. The BB has asked banks to introduce a Security Operations Centre (SOC) to keep them safe from digital threats. "If a SOC system is introduced in all banks, it will be possible to prevent cyberattacks," Zoha said.

# Price hike of essentials weighs on 90pc people

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He made the comments while presenting a keynote paper at a webinar on "Consumer rights in the face of rising prices of goods and services" jointly organised by the Consumers Association of Bangladesh (CAB) and VoktaKantho, an online news portal of the CAB, yesterday. Addressing the webinar, Prof M Shamsul Alam, energy adviser to the CAB, said it was becoming impossible to control the market due to the inconsistency of price increase. He pointed out the inconsistency in the income between government employees and marginalised producers. "The market can be controlled when income inequality is removed," he said. MM Akash, a professor of the economics department at the University of Dhaka, said the interest

of both consumers and producers had to be protected. He demanded a permanent wage commission to restore consistency between market price and wage. The domestic market depends on the purchasing capacity of people, but their buying power was not increasing, he said. Ratan said except for 23 per cent of the very rich, wealthy and upper-middle-class, the remaining 77 per cent of the people were affected by the increasing cost of living. He called for a balanced price-fixing to save the market from the curse of inflation by breaking the monopoly and syndicates. According to the labour leader, although there were many types of jobs and professions, the wage board had been fixed by the labour ministry for only 43 sectors.

There is a provision to revise the wage every five years, but it has not been done since 2013, he said. Ratan recommended strengthening the Bangladesh Agriculture Development Corporation to make farm inputs quickly and cheaply, empowering the Trading Corporation of Bangladesh, and introducing a rationing system. He also suggested monitoring the market, taking steps to rationalise transport fares, making education affordable for all, and controlling the market of healthcare and medicines. Malay Bhoumik, a professor of the management department of Rajshahi University, backed rolling out a rationing system. Ghulam Rahman, president of the CAB, Jyotimoy Barua, a lawyer at the Supreme Court, and Kazi Abdul Hannan, editor of VoktaKantho, also spoke.

# Bitcoin falls 5.71pc to \$35,210

REUTERS  
Bitcoin dropped 5.71 per cent to \$35,210 at 0600 GMT on Saturday, losing \$2,131.11 from its previous close. Bitcoin, the world's biggest and best-known cryptocurrency, is down 45.7 per cent from its 2021 high of \$64,895.22 on April 14. Ether, the coin linked to the ethereum blockchain network, dropped 2.54 per cent to \$2,293.26 on Saturday, losing \$59.84 from its previous close.

# Review vaccination roadmap for faster economic recovery: experts

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The BGMEA leader also sought for incentives for non-cotton garment factories so that they can flourish and create more employment opportunities. Citing that different development projects are being taken for political reasons, Hassan emphasised the need to allocate enough funds for the ongoing mega projects to complete them in a timely manner without taking on any new projects considering the low revenue amid the pandemic. RAPID Chairman Mohammad Abdur Razzaque said the proposed budget failed to properly address two particular sectors -- health and social security -- as these require more importance in this pandemic situation. Citing that the roadmap in the proposed budget to vaccinate 80 per cent of the population in four years needs to be reviewed, Razzaque said, adding that steps should be taken to locally produce vaccines.

In his keynote speech, RAPID Executive Director M Abu Eusuf said the allocation for the health sector in the proposed budget does not reflect the 8th five-year plan that mentioned an allocation of 2 per cent of the GDP for the sector. He went on to say that the allocation for social protection has been increased but there are concerns that about 40 per cent of the social safety net budget is spent on pension payments for retired government employees, interest subsidies and agricultural subsidies. The Tk 7,300 crore kept aside in the proposed budget as funds to combat the coronavirus outbreak could be spent on the new poor and the pandemic-hit informal sector workers, he added. Although different organisations have conducted studies on the new poor, he urged the Bangladesh Bureau of Statistics (BBS) to find out actually how many people become poor due to the pandemic. Planning Minister MA Mannan said there is confusion about the actual figure of new poor as it varies from study to study. "But whatever the number is, they are not forgotten," he said, adding that the government would surely take the necessary steps to help them.

# Facebook gets VAT registration

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However, internet companies were unwilling to set up representative offices. They were also not interested in paying VAT to the NBR through agents or sharing data on sales containing information about customers on the ground of privacy breaches and security risks. Last year, the NBR decided to allow tech giants to get direct VAT registration without opening local offices to bring them under the tax network. However, progress had been slow over the last one year owing to technical and legal complexity, according to officials. Facebook's local sales agent Httpool Bangladesh Ltd has been paying VAT against ad sales since July last year, said Sarker. As of April this year, the NBR has received Tk 9.40 crore from Httpool Bangladesh, according to the field office of the VAT. Besides, many companies also make payments to Facebook through banks and other payment systems, which also cut the VAT at the source. "We are expecting to see streaming service provider Netflix and technology company Microsoft getting registration soon," Sarker said. With 4.1 crore users, Bangladesh has the 10th largest Facebook population in the world, according to German database company Statista. More than 3 lakh stores run operations based on Facebook, with over 1,000 running their business through only the social media platform, which accounts for around 80 per cent of all social media users in Bangladesh, industry people said in December. Although there is no specific figure of the F-commerce market size, it may range from Tk 300 crore to Tk 350 crore per year.

# Review vaccination roadmap for faster economic recovery: experts

STAFF CORRESPONDENT, Chattogram

Various experts yesterday stressed the need to review the vaccination roadmap to bring most of the population under its coverage in the shortest possible time as mass inoculation is the only way to get rid of the ongoing Covid-19 pandemic.

If the country cannot be fully vaccinated, it will face global restrictions that will hamper the country's foreign trade as well as economic recovery, they said.

These comments came at a webinar styled, "Reflections on the Budget 2021-22", jointly organised by Economic Reporters Forum (ERF),



If Bangladesh lags behind in vaccination, the country's exports may face dire consequences, says a business leader.

PHOTO: STAR/FILE

Research Policy Integration for Development (RAPID) and The Asia Foundation (TAF).

ERF President Sharmeen Rinvy chaired the event, which was moderated by ERF General Secretary SM Rashidul Islam.

Mentioning that vaccination should become the most important issue, Md Jashim Uddin, president of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI), said major export destinations such as the US and EU are undergoing mass inoculations.

"If we lag behind in this respect, our exports may face dire consequences," he added.

Hailing the proposal to reduce corporate tax in the proposed national budget, he demanded the complete withdrawal of advance income tax (AIT) and advance trade value added tax (ATV), which he claimed increases the cost of doing business. The FBCCI president also said income tax and VAT offices should be set up at the upazila level in order to widen the tax net.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), called for simplifying the tax procedures to save time and improve the ease of doing business.

# Budget for building Digital Bangladesh

## OPINION



SYED ALMAS KABIR

The proposed budget for the 2021-2022 fiscal year acknowledges the Fourth Industrial Revolution and calls for strategies to create IT entrepreneurs and jobs for Bangladeshis abroad. It also suggests using the Bangladesh National Digital Architecture platform to enhance connectivity among government entities. This is a commendable approach towards Digital Bangladesh.

The inclusion of cloud service, system integration, e-learning platform, e-book publication, and mobile application development service in IT-enabled services (ITES) definition, as proposed by the Bangladesh Association of Software & Information Services (BASIS), is also a welcoming move.

The finance minister deserves a big thank for his proposal of bringing the hardware devices produced in the country under tax exemption. In the interest of local computer manufacturers, the budget proposes increasing tariffs on the imports of feature-phone and encouraging mobile phone production locally. This will also encourage investors to produce digital devices in the country. I also hope that the use of smartphones instead of feature phones will increase.

The massive budget allocation of Tk 1,720 crore in the ICT sector is impressive. It is about 20 per cent more than the outgoing fiscal year's original budget. However, the proposed budget does not have a clear breakdown of the allocated amount. It is not clear how much has been set aside to procure software and ITES and maintenance.

In most government projects, it is seen that the allocated budget is spent on buying hardware, and hardly any amount remains to purchase software, services, or maintenance.

READ MORE ON B2

# Stocks fall amid profit booking

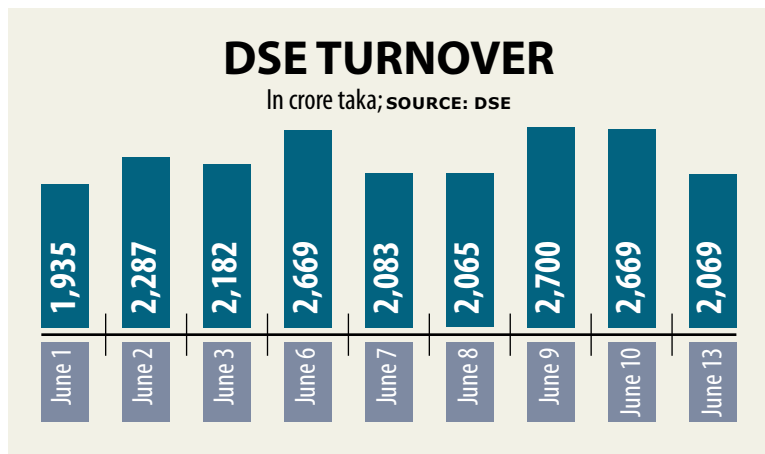
STAR BUSINESS REPORT

The stock market took a dip yesterday thanks to the profit booking tendency among investors with the insurance sector leading the plunge.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 30.58 points, or 0.50 per cent, to 6,036.

The DSE's turnover, an important indicator of the market, fell 22 per cent to Tk 2,062 crore.

Some stocks fell as investors continue to take their profits but this tendency is quite positive for



the market, according to a stock broker.

"This is because when investors take profit, then the market needs time to rise, allowing others the space to buy," he said.

"This gives the market strength but the regulator should monitor whether anyone interferes with the market for their own interest," the broker added.

Most insurance stocks fell today as they rose to a higher extent in the last couple of weeks. The sector was traded the most with around Tk 303 crore.

READ MORE ON B3



STAR/FILE

The government plans to increase the number of IT professionals in the ICT sector to 20 lakh by 2025 from 10 lakh now. This trained workforce is essential for the successful and speedy implementation of the Digital Bangladesh vision.

# Tax or no tax, UAE aims to remain magnet for investors

AFP, Dubai

Tax advantages paired with a life of luxury have long drawn foreigners and multinationals to the UAE, which is aiming to remain attractive whether or not it signs up to a global tax initiative.

The Group of Seven wealthy powers this month endorsed an "unprecedented" agreement on a global minimum corporate tax targeting major companies seen as not paying enough, especially tech giants.

The objective is a minimum tax of at least 15 per cent. While the agreement is the first

reduce in the coming months government procedures as "part of efforts to reduce the cost of doing business and further boost economic growth in the emirate".

Hard-hit by the coronavirus pandemic, the UAE has already launched a series of reforms, including to allow foreigners full ownership of businesses, whereas before it was capped at 49 per cent unless based in certain free trade zones.

Economy Minister Abdulla bin Touq Al Marri said the changes were a bid to boost the "competitive edge" of the country, currently 16th in the World Bank's ease of



An Emirati man wears a protective mask as he walks past buildings in Abu Dhabi, the United Arab Emirates.

step in a long process before it can become a reality, caught in the crosshairs are tax havens that attract firms such as Amazon, Apple, Google and Facebook. The United Arab Emirates entered the world's top 10 tax havens for the first time in March, according to the Tax Justice Network.

Modestly called "jurisdictions with no or insignificant taxes" by the Organisation for Economic Co-operation and Development (OECD), the havens include the Bahamas, the British Virgin Islands, Guernsey, Jersey, the UAE and many others. Both the UAE capital Abu Dhabi and freewheeling Dubai, the biggest draw for investors out of the UAE's seven emirates, are home to thousands of companies that have set up regional offices there.

UAE officials have yet to issue a statement on the G7 agreement and did not respond to an AFP request for comment. But this week Dubai announced plans to

doing business rankings.

The UAE, which relies on its image as an international hub, "will be keen to be seen as part of the global system rather than a tax haven," said Scott Livermore of Oxford Economics Middle East.

"The upsides of remaining on the outside of the agreement is limited, especially if approved by the G20 and OECD countries," the Dubai-based economist told AFP.

According to Livermore, even if businesses in the country see an increase in tax burden, the government was likely to "consolidate and simplify fees", as is the case in Luxembourg and Malta, where multiple exemptions lower the final bill considerably.

"Already the authorities have realised the importance of broader business and social environment for attracting and retaining foreign investment and talent," he said. "This has been demonstrated by the raft of visa and business reforms announced over the past year.

## GLOBAL BUSINESS

# Fed expected to stand its ground despite rising inflation

AFP, Washington

Even in the face of rising inflation, the lackluster progress on restoring jobs lost during the pandemic means the US Federal Reserve is unlikely to budge on monetary policy when it meets next week.

Central bank chief Jerome Powell has made it clear the Fed will hold the line on its massive bond buying program and rock-bottom lending rates until data reflect lasting improvement in employment across all economic strata.

But the recent surge in inflation in the world's largest economy is ramping up the pressure on policymakers to begin to pull back on stimulus programs.

Hints of whether central bankers will buckle may be seen next week when the Fed's policy-setting Federal Open Markets Committee (FOMC) holds its two-day policy meeting. "No good deed goes unpunished and that is the case with the rapid reopening of the economy," economist Joel Naroff said in an analysis.

"The upside is that growth is soaring. The downside is that



Fed Chairman Jerome Powell has made it clear the Fed will hold the line on its massive bond buying programme and rock-bottom lending rates until data reflects lasting improvement in employment across all economic strata.

consumer inflation is surging, and labor problems are pressuring businesses. With widespread vaccinations in recent months and massive government aid, the US economy has come roaring back from the Covid-19 crisis as businesses rushed to reopen. But the process has been bumpy and other

countries have not kept pace, creating a shortage of supplies and workers.

That in turn has sent prices surging, with the consumer price index hitting a 13-year high of five per cent in May compared to the same month in 2020.

While Fed officials have repeatedly offered reassurances

that the increase is mostly due to temporary issues -- used car prices alone make up the bulk of the rise -- some financial market players have begun to sound the alarm, as have Republicans opposed to President Joe Biden's spending plans.

"We should all be very concerned," Republican Senator Pat Toomey tweeted last week. "It's long overdue for the Fed to begin the process of normalizing its monetary policy." Omani Swinton, chair of the Howard University economics department, said with businesses finding it hard to fill open positions as they reopen, or competing with the \$1,000 signing bonus offered by major US employer Amazon, wage and price inflation are legitimate concerns.

But the "systemic" issue of the worker shortage is the more important target of the Fed's policy deliberations, he said, especially if the labor pool shrinks permanently in the wake of the pandemic.

"No one knows if people are going to go back to work or not," Swinton told AFP. "So their focus on making sure the employment recovery is strong is more important than inflation."

# Germany prepares for hydrogen accord with Australia

REUTERS

Germany on Sunday said it has taken steps towards a bilateral alliance on hydrogen production and trade with Australia to try and facilitate a renewable energy-based hydrogen supply chain between the countries.

Economy minister Peter Altmaier and education and research minister Anja Karliczek signed a letter of intent to set up a "Germany Australia Hydrogen Accord" with their Australian counterpart, Angus Taylor, the economy ministry said in a press release.

It said the cooperation was about enabling "the import of sustainably produced hydrogen in relevant volumes, which is an important factor to reach our tighter climate targets."

Australia wants to develop a clean hydrogen and ammonia production chain to cut carbon, depart from fossil fuels and build up new export markets, Taylor said in an interview for Reuters events in May.



German Economy Minister Peter Altmaier addresses a news conference in Berlin, Germany on April 27.

The two countries can take advantage of Australia's limitless solar resources and employing German electrolysis technology, said Altmaier.

Karliczek said her ministry will fund a technology incubator called HyGate with 50 million euros (\$60.53 million) over three years to test technologies from production through to storage and transport.

Big energy firms including German utility RWE and Uniper have started looking into possible new trade routes for hydrogen, a cleaner alternative to fossil fuels from Australia and other places.

Germany's 9 billion euro hydrogen strategy launched last summer, which is embedded in wider European Union strategies, is based on the assumption that some 80% of its hydrogen requirements may have to be imported in the long term. Germany has put out feelers to Saudi Arabia, Canada, Chile and Morocco for possible supplies.