

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.32%	Flat	\$1,776.98	\$74.86	▲ 0.03%	▲ 3.12%	▼ 0.28%	▲ 0.80%	BUY TK 83.95	98.91	115.90	12.74
6,105.73	10,688.94	(per ounce)	(per barrel)	52,588.71	28,884.13	3,109.20	3,557.41	SELL TK 84.95	102.71	119.70	13.40



Star BUSINESS

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Unquestioned amnesty for black money likely to continue

SOHEL PARVEZ

The government is likely to keep the opportunity to whiten black money without asking any question on the source of fund in the next fiscal year owing to the lobby from various quarters, said officials of the finance ministry.

However, the holders of undisclosed wealth may need to pay 25 per cent tax along with a 10 per cent penalty, instead of the scope to legalise income on payment of a 10 per cent tax, which will expire on June 30.

As a result of the measure, the effective tax rate on the declared amount in the income tax return will be 27.5 per cent.

The effective tax rate will be the highest as the maximum personal income tax rate is 25 per cent, said an official.

In his post-budget media briefing, Finance Minister AHM Mustafa Kamal skipped the issue of whether the government had any plan to give unquestioned amnesty to legalise black money in the next fiscal year beginning from July.

The current opportunity—under which 10,404 taxpayers whitened nearly Tk 14,460 crore this fiscal year—drew criticism from economists and civil society organisations as it acts as a disincentive to honest taxpayers and encourages corruption and bribery.

However, the government has kept the scope of using undisclosed income for the purchase of homes, land, buildings, or flats on the payment of a certain amount of tax, depending on the area and location of the property.

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Pabna weavers say soaring prices of raw materials are eating away profits while a duty-free facility on raw material import is being misappropriated by non-beneficiaries. The photo was taken recently.

AHMED HUMAYUN KABIR TOPU

Weavers miss out on duty-free import

AHMED HUMAYUN KABIR TOPU, Pabna

A duty-free facility meant for weavers has allegedly been misused to import about Tk 400 crore worth of raw materials.

A total of 51 primary weavers' associations availed the facility between 2018 and 2019, seeking to bring in yarn, colours and other chemicals, said Kamonashish Das, general manager of the Bangladesh Handloom Board.

Only a 5 per cent tax needs to be paid on the imports, while duty ranging from 30 per cent to 32 per cent is waived, said Jakir Hossain, a liaison officer of the board's Dogasi office in Pabna.

Imports under the facility can be used only by the respective weavers' establishments and cannot be handed over or sold to anyone else, according to the Office of the Chief Controller of Imports and Exports.

But an investigation by The Daily Star found at least three of the platforms in Pabna to have illegally allowed to use their names and documents to a non-beneficiary to avail the facility in exchange for paltry sums of money.

According to Bangladesh Handloom Board, five weavers' associations of the district were allowed to avail the facility to make imports amounting to Tk 45 crore.

The remaining 48 resorted to the same malpractice, according to a leader of a national weavers' association.

The three associations are under ward 2 and 3 in Goyeshpur union and ward 6 in Ataikula union.

The duty benefit was allowed for importing raw materials worth Tk 9.67 crore, Tk 12.48 crore and Tk 8.38 crore under the names and documents of the three associations, respectively.

But the materials were actually availed by one Nayan Hossain, a leader of weavers in Santhia upazila. He did not respond to calls and SMS sent to his mobile phone.

Except for the leaders, most weavers under the three associations said to have only recently found out about the matter.

They pointed out that most of them were illiterate, had no idea about the import process, and most importantly, did not have the money required.

The soaring price of raw materials ate away profits. The facility could have easily allowed running extra six months amidst the pandemic, said a Goyeshpur weaver, Md Azizul Haque.

Md Aiyub Hossain, president of the Goyeshpur ward 3 association, admitted that Nayan, in exchange, paid them Tk 6 lakh.

He claimed to have provided the association's 558 members Tk 1,000 each

and kept the rest with the platform's funds.

Similarly, Akash Hossain, secretary of the Ataikula ward 6 association, said they received Tk 2 lakh in return, and from it, 172 weavers were each provided Tk 700.

Md Abdul Hakim, secretary of the Goyeshpur ward 2 association, declined to talk over the matter.

"The weavers do not understand anything. They have many loans under the name of the organisation. We have done the same like others," he said.

Weavers are mostly unaware of the facility, and unscrupulous traders take advantage of it, said Md Hyder Ali, president of the Sirajganj District Weavers Association.

"It was a huge opportunity for marginal weavers to get imported raw materials directly to their factories duty-free," he said.

He demanded more convenient ways to support weavers.

On receiving the allegations, officials of the Handloom Board visited Pabna to conduct investigations and found it to be accurate, said Kamonashish Das.

The facility was stopped from around 2019, he said.

"We are now looking for different ways to deliver government support to weavers directly so that they are not deprived. The ministry is working on it," he added.

ADB approves \$940m loan for vaccine purchase

STAR BUSINESS REPORT

The Asian Development Bank yesterday approved a loan package of \$940 million for Bangladesh to help the country buy Covid-19 vaccines.

The package comprises a regular loan and a concessional loan of \$470 million each, the Manila-based lender said in a press release.

This is part of the bank's \$9 billion Asia Pacific Vaccine Access Facility launched in December 2020 to offer rapid and equitable vaccine-related support to the ADB's developing member countries.

"Vaccination programmes can break the chain of virus transmission, save lives, and mitigate the negative economic impacts of the pandemic," said ADB President Masatsugu Asakawa.

"This project is a continuation of ADB's ongoing support to Bangladesh's Covid-19 pandemic response in order to protect its population from the virus, rebuild the livelihoods of vulnerable groups, and work to return its economy to its impressive growth path."

The project will fund the purchase of an estimated 44.7 million doses of vaccines to be administered to more than 20 million Bangladeshis by 2024, the press release said.



The vaccines will be secured through the Covid-19 Vaccines Global Access (COVAX) programme, the United Nations Children's Fund, or bilateral arrangements with vaccine manufacturers or distributors.

After around two months, the administration of the first dose of Covid-19 vaccines resumed in Bangladesh on June 19 on a limited scale with around 11 lakh Chinese Sinopharm jabs in hand.

The government had suspended the countrywide administration of the first dose on April 26 due to a shortage of the AstraZeneca vaccine doses from the Serum Institute of India.

The ADB supported Bangladesh's Covid-19 response through a \$250 million loan in June 2021 to strengthen social protection and resilience programmes and a \$500 million loan in May 2020 for expanding social safety nets for vulnerable groups and supporting critical labour-intensive industries and small and medium enterprises to preserve jobs.

Delinquent tanners get more time to repay loans

STAR BUSINESS REPORT

The cash-strapped tanners yesterday got three more months to repay their default loans under relaxed facilities.

The Bangladesh Bank took the decision considering the upcoming Eid-ul-Azha, when tanners usually invest huge amount to purchase rawhide.

Local tanneries, which have been facing the burden of default loans for years, are now allowed to repay their non-performing loans (NPLs) in a relaxed manner by September, according to a BB notice.

The central bank also considered the ongoing business slowdown caused by the coronavirus pandemic in extending the deadline.

Banks are allowed to offer a one-time exit policy with only a 2 per cent down payment to tannery owners who are unable to run businesses amid the current crisis.

The owners, whose bank loans amounted to up to Tk 5 crore as of December 31 last year, will get three years for the exit.

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Sur Chowdhury denies corruption allegations

STAR BUSINESS REPORT

Former Bangladesh Bank deputy governor SK Sur Chowdhury yesterday said that the corruption allegations raised against him were "completely false".

Chowdhury made this comment at a hearing arranged by a fact-finding committee of the Bangladesh Bank, which is investigating the recent financial scandals at some non-bank financial institutions (NBFIs).

He, however, declined to comment further to this end.

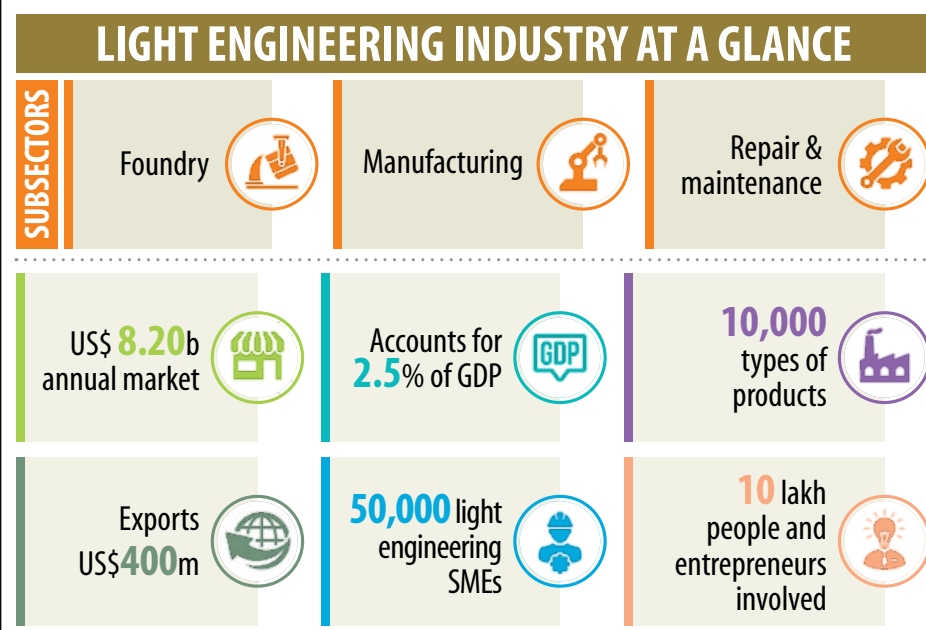
Earlier, two close associates of PK Halder confessed to a Dhaka court that Chowdhury had assisted them in conducting financial scams.

Halder, who is believed to be living in Canada after fleeing from Bangladesh, misappropriated huge amounts of funds from four NBFIs and laundered the money abroad using 30 organisations, owned by him and his associates.

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Govt looks to give light engineering a leg up

First ever policy drafted for the sector



SUKANTA HALDER

The government has taken an initiative to formulate policy to promote and develop engineering industries, create jobs and expand the country's industrial base.

The Business Promotion Council, an agency under the commerce ministry, and the Bangladesh Engineering Industry Owners Association (BEIOA), have jointly prepared a draft policy.

The policy—presented at a meeting of the stakeholders of the commerce ministry in Dhaka on Sunday—will be submitted to the industries ministry after the addition of the recommendations.

The draft policy targets increasing the contribution of industries to the country's gross domestic product (GDP) to 40 per cent by 2025 by developing light engineering industries.

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PALASH KHAN

A draft policy targets increasing the contribution of industries to the country's gross domestic product (GDP) to 40 per cent by 2025 by developing light engineering industries. The photo was taken at Dholaikhal in the capital last April.