

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.26%	▲ 0.16%	\$1,755.06	\$75.32	▼ 0.35%	▼ 0.81%	▼ 1.2%	▼ 0.92%	BUY TK	83.95	98.90	115.47	12.75
6,042.49	10,502.43	(per ounce)	(per barrel)	52,549.66	28,812.61	3,089.49	3,573.18	SELL TK	84.95	102.70	119.27	13.41

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Star BUSINESS

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Who owns Nagad?

Govt to form a new subsidiary; BB extends tenure of interim approval for 3 months

AKM ZAMIR UDDIN

The government will form a new company to help Nagad secure a full-fledged licence from the central bank as the mobile financial service provider continues to fail to meet conditions.

"A new company named Nagad Bangladesh Ltd will be formed to run the operation of the MFS," Telecom Secretary Md Afzal Hossain told The Daily Star.

In March 2019, Nagad started out as the MFS wing of the Bangladesh Post Office (BPO), and it is operated by Third Wave Technologies Ltd.

But the problem was BPO did not

have any prior approval from the BB. In Bangladesh, the MFS service is run under a bank-led model.

In March last year, the central bank asked banks not to provide any service to unauthorised payment or MFS providers and operators in the interest of depositors.

This forced the BPO to take an interim licence from the central bank on March 15 last year for six months as all banks had suspended transactions with Nagad.

While availing the interim approval, the BPO committed to completing official procedures to manage the full-fledged licence. But it has failed to do so in the last 15

FACTS ABOUT NAGAD LICENCE

- Nagad fails to form subsidiary even 15 months after getting interim approval
- BB yesterday extended approval for third time
- The company holds trust-cum-settlement accounts ignoring rules



POSTS AND TELECOM SECRETARY SAYS...

- Third Wave renamed itself Nagad Ltd without informing ministry
- Now a new company named Nagad Bangladesh Ltd will be formed

TANVIR A MISHUK, MANAGING DIRECTOR OF NAGAD, SAYS...

- No existence of Third Wave
- Post Office will hold 51pc shares of Nagad Ltd

months.

The BB yesterday extended the interim licence for another three months to September after the existing permission expires today.

This is the third extension.

The central bank asked the BPO to form the subsidiary holding 51 per cent shares.

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Forex reserve hits record \$46b

Export dev fund now \$6b

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserve yesterday hit a record high of \$46 billion thanks to the upward trend of remittance.

The reserves, one of the major macroeconomic indicators of an economy, went up 23.6 per cent in the last one year to stand at \$36.03 billion as of June last year, according to data from the central bank.

"A strong inflow of remittance has largely helped the country build up its foreign exchange reserve," said an official of Bangladesh Bank.

The Bangladeshi diaspora sent remittances worth \$22.83 billion in the first 11 months of this fiscal year, which is much higher than the total inflow of last year, when they sent \$18.20 billion.

On top of that, expatriate Bangladeshis sent \$1.75 billion in the first 28 days of this month

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Small incomes lose priority in finance bill

BUDGET REVIEW
 FY2021-22

REEFAYET ULLAH MIRDHHA

The parliament yesterday passed the finance bill for fiscal 2021-22 without addressing some vital tax issues, including that over small incomes, at this ongoing severe phase of the pandemic, which could jeopardise the good motives of the budgetary allocations.

One major issue was the tax on individual incomes. There is none for up to Tk 3 lakh. For incomes of up to Tk 4 lakh, a 5 per cent tax is applicable on the increase, meaning Tk 1 lakh. Had this rate been applicable for incomes of up to Tk 6 lakh, low-income people dealing with this severe period of the pandemic could have availed a bit of a relief, said a noted economist.

Low-income people should be given priority through tax relief in a pandemic and increasing the tax-free income threshold is a major way to shield them from additional pressure, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD).

The tax slabs continue, with 10 per cent imposed a subsequent increase of Tk 3 lakh in individual income, 15 per cent for an additional Tk 4 lakh and 20 per cent for an additional Tk 5 lakh.

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Home appliance sales to dry up this Eid



JAGARAN CHAKMA

Sales for home appliances could dry up in the run-up to Eid-ul-Azha as non-essential retail outlets will remain closed during the strict countrywide lockdown beginning tomorrow.

The government is set to impose a week-long nationwide curf from July 1 to control the raging Covid-19 infections.

Retailers and manufacturers say the curf would affect the business of the electronic home appliance sector during the ongoing peak season, which accounts for 70 per cent of their annual sales.

This means the sector is set to suffer losses for the second year running.

Eid-ul-Azha is the peak season for the refrigerator market as demand rises as people tend to preserve the meat of sacrificial animals.

This prompts retailers to come up with

offers, including discounts, cash backs and prizes to boost sales. Like in the past, market players also introduced offers to attract customers this year.

Major players in the segment are Walton Group, Transcom Electronics, Rangs Electronics, Rangs Toshiba, Singer Bangladesh, Best Electronics, MyOne Electronics, Jamuna Electronics, Pran-RFL (Vision), Esquire Electronics, Electra International, and Super Star Group.

Among the foreign companies, Samsung, LG, General, Sharp, and Whirlpool are popular.

Manzurul Karim, general manager of Esquire Electronics, the sole authorised distributor of Japanese brands General and Sharp, said two Eid festivals made up the peak season for home appliance retailers as the working class got festival bonuses and companies offer various offers.

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LOCKDOWN AHEAD OF EID

Online cattle sales to pick up the slack

MAHMUDUL HASAN

Online cattle sales in the run-up to Eid-ul-Azha are expected to accelerate as the raging coronavirus infections would compel the government to whittle down the number of makeshift markets allowed each year to sell sacrificial animals.

Online marketplaces, e-commerce and Facebook-based platforms have ramped up their capacity to provide services from livestock to meat processing since the virus pushed many shoppers online in the last 16 months.

Their activity received a boost after the National Technical Advisory Committee on Covid-19 recently advised the government not to set up any makeshift markets, which usually mushroom during Eid-ul-Azha, in some big cities, including Dhaka and Chattogram.

The strict countrywide lockdown set to be reinstated from tomorrow will mean that people would rely more on online marketplaces to buy sacrificial animals.

Many of the digital platforms are already offering discounts and vouchers. Some are facilitating free deliveries at the buyer's preferable date and time.

E-commerce platform Daraz started this year's 'Qurbani Haat' campaign in the middle of June. Listed sellers and farmers are uploading detailed information



about cows from different cities.

"We have collected the most organic cows from small and medium-sized sellers through a non-governmental organisation at competitive prices," said Shayantani Twisha, head of media at Daraz

Bangladesh. Its sales soared 140 per cent to 170 sacrificial cows ahead of Eid-ul-Azha last year.

People will not be keen to visit physical markets this year because of the worsening pandemic situation. "So, we are expecting a higher

volume of sales than last year," Twisha said.

Daraz is giving opportunities to new and women entrepreneurs in Gaibandha, Tangail, and Mymensingh to sell organic cows.

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AMRAN HOSSAIN

Shops shuttered following a government announcement of a partial lockdown for three days preceding a nationwide "total and complete" one from tomorrow. As per a gazette on the partial lockdown, shopping malls, resorts and tourist destinations, community centres and places of entertainment will be closed. Restaurants will only be allowed to cater to takeaway orders. The photo was taken opposite Dhaka College in the capital on Monday.

PROJECT EXECUTION DELAYS

IMED blames faulty feasibility studies

REJAUUL KARIM BYRON and DWAIPAYAN BARUA

Implementation of government development projects by ministries and divisions suffers years of delays as they, in most cases, are formulated without proper feasibility studies and technical designs.

What may initially start off as a project for constructing one school or one road may undergo revisions for more than once afterwards for the inclusion of components, such as additional schools and roads.

This is occurring despite guidelines from the Executive Committee of the National Economic Council (Ecnec), observed the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry in a report.

This deprives people from availing the benefits and as a whole has a negative impact on the progress of annual development programme (ADP), it said.

Therefore, it will not be reasonable to process the approval of projects formulated without proper surveys and technical designs, it said.

The IMED submitted the report in a review meeting on progress of the ADP in the first 11 months of the current fiscal year.

Planning Minister MA Mannan chaired the meeting, attended by representatives of 10 ministries receiving the highest ADP allocations. The planning ministry expressed dissatisfaction over delays in implementation of the ADP and issued warnings on the ministries.

The report stated that during the implementation stage following approval, almost every project is revised several times for time extensions.

In many cases, projects are initially taken up on a small scale but once the approval is given, revisions are sought for the addition of components.

A total of 1,886 projects are being implemented under the revised ADP for fiscal 2020-21 involving an estimated cost of Tk 17,25,657 crore.

Of the amount, Tk 4,64,528 crore has been spent till June 2020.

A total of Tk 2,09,271 crore has been allocated for the revised ADP of 2021.

Excluding the allocation for the current fiscal year, another Tk 10,51,856 crore is required for the 1,886 projects. The money needs to be allocated through the ADP of the coming fiscal years.

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