

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.54%	▲ 0.62%	\$1,825.15	\$73.75	▲ 0.48%	▼ 1.15%	▼ 0.42%	▲ 1.02%	BUY TK	83.95	98.26	115.26	12.75
6,307.35	10,990.35	(per ounce)	(per barrel)	53,158.85	28,279.09	3,139.98	3,564.59	SELL TK	84.95	102.06	119.06	13.41

Star BUSINESS

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Tourism gets a shot in the arm

BB announces Tk 1,000cr stimulus for hotels, theme parks



SHEIKH NASIR

A boatman awaits the arrival of tourists at the picturesque Shada Pathor in Sylhet's Companiganj upazila as associated income generating activities have come to a standstill. The photo was taken recently.

AKM ZAMIR UDDIN

Bangladesh Bank yesterday declared a new stimulus package worth Tk 1,000 crore for hotels, motels and theme parks suffering for the ongoing business slowdown amid the coronavirus pandemic.

Owners of hotels and theme

parks having trade licences will be able to get loans from the scheme in the form of working capital at a 4 per cent interest rate.

Banks, however, will enjoy an 8 per cent interest rate as the government will provide the remaining 4 per cent as subsidy, according to a central bank notice.

The loans will have to be used

to provide salaries of employees.

The repayment tenure is a maximum of one year, said officials of the central bank.

The fund will be treated as a refinance scheme as the central bank will provide 50 per cent of every loan from the package.

Businesses of the sector which had earlier taken loans from other

stimulus schemes of the BB will not be allowed to avail loans under this new scheme.

Excluding the latest one, the government has so far declared 23 stimulus packages worth Tk 128,440 crore.

Of the funds, the BB has set a target to disburse around Tk 97,000 crore from banking

sources.

Owners of hotels and theme parks will have to take loans from banks with which they already maintain accounts to run business, said the central bank.

The BB's latest offer comes in line with a finance ministry decision, said the central bank officials.

The country's hotels and theme parks had been facing a severe crisis since March last year, when the deadly virus arrived on the shores of the country, said Saif Ahmed, president of the Bangladesh Hotel and Guest House Owners Association.

The businesses have been dealt another blow due to the recent hike in infections.

"We have been compelled to close hotels and theme parks for the majority of the ongoing pandemic," he said.

Many hotels have been going through a crisis regarding paying salaries to employees, he said.

Against this backdrop, the association has been repeatedly requesting the government to roll out a dedicated stimulus package.

"We made the request to the government last year soon after the pandemic hit the country," Ahmed said.

"This package will beyond a doubt help us survive," he said, adding that some 300 hotels and motels were members of the organisation.

GOODS FROM INDIA

Imports via freight trains surge

TUHIN SHUBHRA ADHIKARY

Transportation of goods from India to Bangladesh via freight trains doubled in the last fiscal year as the route is cost-effective and saves time.

Bangladesh Railway (BR) transported 36.93 lakh tonnes of goods from the neighbouring country in 2020-21, up 126 per cent from 16.34 lakh tonnes a year ago, data from the BR showed.

The railway's income from the cross-border trade also set a record in the year.

The state-run transport agency clocked 120 per cent growth in earnings at Tk 167.74 crore in FY21, which was Tk 76.59 crore in the preceding fiscal year.

"This is the highest income for the BR from the transportation of goods from India in a single year," Shafiqur Rahman, director for traffic of the BR, told The Daily Star yesterday.

The movement of goods by trains from India is cost-effective than carrying them by trucks. In addition, carrying goods via trains takes less time than trucks, making it popular.

Besides, freight trains often bring goods from the far-flung Indian provinces, which are almost inaccessible for trucks. Transportation of bulk amount of goods is also not possible through trucks, business people and BR officials said.

The BR operates 130 to 140 freight trains every month to bring goods from India through four interchange stations, namely Benapole, Darshana, Rohanpur and Birol.

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Toy seller wins Tk 1 lakh in VAT lottery

AKANDA MUHAMMAD JAHID

Imam Uddin, the owner of a plastic toy store in the Mitford area of Dhaka, was awarded Tk 1 lakh in exchange for eating a breakfast worth about Tk 85, including VAT, at a restaurant in the capital.

Although this story may seem unrealistic, especially considering the ongoing coronavirus crisis, it is in fact, the truth.

Imam opens his shop very early every morning even though very few customers pay a visit these days thanks to Covid-19.

Just a couple months after opening his business last year, the government had imposed a nationwide lockdown between March 23 and May 30 in a bid to curb the spread of the deadly virus.

As a result, Imam was forced to completely shut down his store for the duration. Seeing as his family had a very hard time back then, he now comes to the shop early each morning without eating breakfast to ensure that no potential shopper finds a shuttered shop.

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Govt's bank borrowing plunges

Sales of savings certificates overshoot target

AKM ZAMIR UDDIN

The government's borrowing from the banking system declined sharply in the just-concluded fiscal year as it took on a staggering amount of debt through the sales of savings certificates and bonds.

The government managed to borrow Tk 26,078 crore from banks in fiscal 2020-21, down 64 per cent year-on-year, according to data from the Bangladesh Bank.

The revised target on loans from the banking system was Tk 79,749 crore.

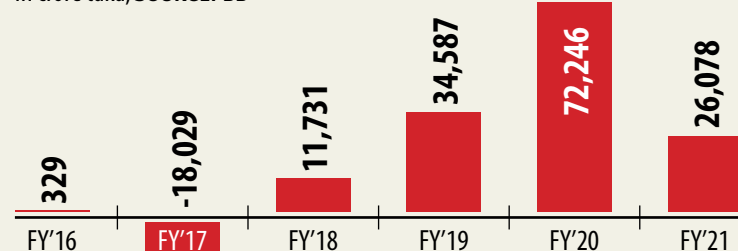
But the government was forced to borrow less from the banks as many savers flocked to savings certificates and bonds due to the decline in the interest rate on deposit products offered by commercial banks.

The government is giving interest ranging from 11.04 per cent to 11.76 per cent to savers. Banks offer a 3-5 per cent interest rate on the fixed deposit products.

In FY2021, the government had planned to take loans by selling savings instruments amounting to Tk 30,302 crore. The net investment in the tools surged to Tk 37,386 crore between July and May.

GOVT BORROWING FROM BANKS

In crore taka; SOURCE: BB



Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said that the government would have to bear a higher interest spending for borrowing massively through the sales of savings instruments.

The government would have been able to avoid the high-cost fund had it taken loans from banks using treasury bills (T-bills) and bonds.

The interest rate on T-bills and bonds ranged between 2.50 per cent and 8.50 per cent throughout the last fiscal year.

The low implementation rate of

the annual development programme (ADP) also played a role in the fall of bank borrowing.

The development spending stood at Tk 122,231 crore in the July to May period, accounting for 58 per cent of the overall allocation.

The public borrowing from banks would have increased to some extent if the government had implemented the ADP as expected, said Mansur, also a former official of the International Monetary Fund.

The government has set a bank borrowing target of Tk 76,452 crore in FY22.

GP profit drops in Jan-Jun

STAR BUSINESS REPORT

Grameenphone's profit declined 3 per cent year-on-year to Tk 1,741 crore in January-June as it paid higher tax and amortisation resulting from spectrum purchase, the company said yesterday.

The largest mobile phone operator bought spectrum worth \$378.75 million in March in an auction arranged by the Bangladesh Telecommunication Regulatory Commission to improve its services.

The carrier said its revenue grew 2 per cent year-on-year to Tk 7,058 crore in the first half of 2021 from Tk 6,923 crore a year ago.

The company, however, posted higher revenue and profit in the second quarter of 2021. It acquired 13 lakh new subscribers in the April-June period.

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UPCOMING LOCKDOWN

No decision yet if RMG units will remain open

STAR BUSINESS REPORT

A decision is yet to be reached on whether garment factories would be allowed to be kept running during an upcoming 14-day lockdown beginning July 23.

Briefing journalists after a meeting with the cabinet secretary at Bangladesh Secretariat yesterday, BGMEA President Faruque Hassan said they would sit again tomorrow, with them pressing in favour of keeping open.

Hassan has been reiterating the demand over the last three days, saying they otherwise apprehend a massive losses as July and August were an important period for the shipment of goods and booking work orders for next summer.

The chief of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said many international retailers and brands have been frequently asking local suppliers about the fate of production and shipment of goods during the lockdown.

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TAX UP TO TK 5 LAKH

Use automated chalan or e-transfer

SOHEL PARVEZ

From the current fiscal year, taxpayers will be required to pay taxes of up to Tk 5 lakh through automated chalans or electronic transfers.

So, if a taxpayer is accustomed to paying taxes through pay orders or cheques, they may have to switch to automated chalans, according to a new rule introduced by the National Board of Revenue (NBR).

Various taxmen and officials of Finance Division said the government issued this rule in order to plug up scopes of using fake pay orders or treasury chalans, thereby ensuring that the money goes directly to the state coffers.

This move will help solve the longstanding problem of discrepancies arising in tax collection data reported by the NBR and the Office of the Controller General of Accounts (CGA).

Besides, the facility to pay taxes through



automated chalans or electronic transfers will be helpful for taxpayers, they added.

"Taxpayers will be able to use the automated chalan services through mobile apps, debit or credit cards, and through mobile financial services," said a senior official of the Finance Division.

However, if anyone wants to pay their tax over a bank counter, they can

also do that, he added.

There are 35 banks in the country which have already joined the government's efforts to introduce automated chalans that allow taxpayers to deposit taxes, government fees and other payments through digital means.

"We expect the remaining banks to join us as well," he said.

This decision will reduce the hassles of the taxpayers, according to Jasim Uddin Rasel, a tax consultant.

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Second jetty opens for Matarbari power plant

DWAIPAYAN BARIUA, Chattogram

A cargo vessel yesterday became the first to berth at the second jetty being constructed for unloading coal for the under-construction coal-based power plant at Matarbari in Moheshkhali upazila of Cox's Bazar.

The Panama-flagged MV Horizon-9 sailed from Singapore with 185 tonnes of machinery for the power plant, arriving at the outer anchorage at around 1:30am before eventually being berthed at 10:30am.

So from now on, the plant's authorities will be able to allow two vessels to berth at the same time.

With this, as of yesterday a total of 18 vessels have been berthed at the two jetties in last six-and-a-half months.

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COLLECTED

The MV Horizon-9 is seen nestled at the second jetty of the Matarbari power plant yesterday. The vessel, carrying 185 tonnes of machinery for the plant, was first to berth at the partially completed jetty.