

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.78%	▼ 0.66%	\$1,787.34	\$72.92	▲ 0.09%	▲ 1.25%	▲ 0.88%	▲ 0.27%	BUY TK 84.25	98.42	115.59	12.78
7,202.09	12,588.64	(per ounce)	(per barrel)	58,305.07	30,381.84	3,098.80	3,703.11	SELL TK 85.25	102.22	119.39	13.44

# Star BUSINESS

DHAKA MONDAY SEPTEMBER 13, 2021, BHADRA 29, 1428 BS • starbusiness@thedailystar.net

## Govt doubles down on efforts to attract foreign investment

### Bida to hold investment summit in November

JAGARAN CHAKMA

With investment stagnating at a dismal level and foreign direct investment hovering around \$2.5 billion annually, the government is going to hold a summit in a bid to attract foreign investors and break the current stalemate.

The Bangladesh International Investment Summit will take place in November, where the Bangladesh Investment Development Authority (BIDA) will highlight the steps the government has taken over the last five years to improve the investment climate and ease the process of doing business.

Analysts, however, say organising such an event will not suffice to pull foreign investors.

Proper implementation of laws related

to investment and effective one-stop service facilities are needed to lure investments from abroad.

Development of regional connectivity, port and infrastructure facilities is needed to give a boost to the confidence of investors that they would be able to connect with the global value chain smoothly, analysts say.

At a press conference yesterday, Salman F Rahman, private industry and investment affairs adviser to the prime minister, said Bangladesh was yet to fully utilise the investment environment that had been created in recent years.

Bangladesh's investment-to-GDP ratio is the lowest in South Asia.

"Bangladesh needs FDI to increase the investment-to-GDP ratio to expedite the GDP growth," he said, adding that the summit would attempt to attract foreign investors and Bangladeshi expatriates.

In recent years, the ratio of the public investment-to-GDP has shown an increasing trend, but the private investment has been stagnating.

READ MORE ON B3

## VAT collection highly dependent on cigarettes

SOHEL PARVEZ

Bangladesh continues to remain highly dependent on cigarette and tobacco products for its value-added tax (VAT) collection as the health hazards account for nearly one-third of the indirect tax generated by the domestic market.

Data from the National Board of Revenue (NBR) showed that Tk 28,800 crore came in the form of value added tax and supplementary duty (SD) on cigarettes in fiscal 2020-21.

The amount was 30 per cent of Tk 97,500 crore collected as VAT and supplementary duty in the same fiscal.

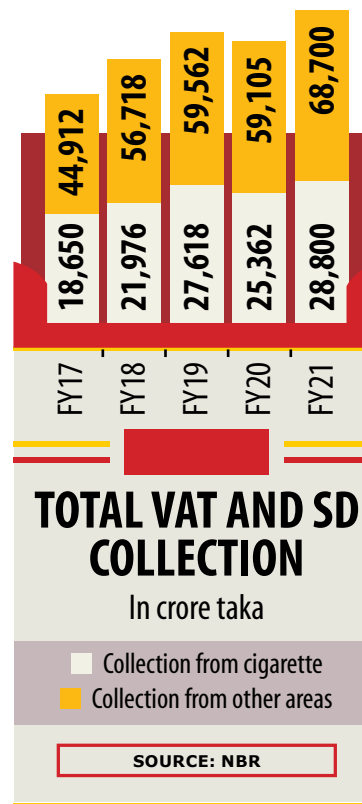
The share of cigarettes in total indirect tax remained the same in fiscal 2019-20.

The NBR got Tk 25,360 crore from cigarettes or 30 per cent of Tk 84,467 crore collected in total as VAT and SD that year.

And if anyone looks back at the NBR's collection figure, the high share of cigarette in VAT and SD collection from the local market would be clear, which signifies a narrow base of VAT collection.

For instance, the share of cigarette in indirect tax collection from the domestic market was 32 per cent in fiscal 2018-19.

"High dependence on cigarette



is not a good news for the next generation," said Nasiruddin Ahmed, former chairman of the NBR.

A 2019 study by Bangladesh Cancer Society showed that tobacco

consumption caused 126,000 deaths in Bangladesh. The figure was 13.5 per cent of deaths from all causes in Bangladesh in 2018.

In addition, the study said 15 lakh adults were suffering from diseases attributable to tobacco use and nearly 61,000 children were suffering from diseases due to exposure to secondhand smoke.

Tobacco-induced deaths and diseases alone cost the economy of Bangladesh around Tk 30,560 crore a year, which was equivalent to 1.4 per cent of its national GDP in 2017-18, the study finds.

In that year, total collection of VAT and SD from cigarette was nearly Tk 21,980 crore -- less than the estimated cost of tobacco on health.

Ahmed said the base of VAT was narrow and the revenue authority needs to trim down the exemptions to improve collections from other sectors. The government should start taking steps now in order to make the country tobacco-free by 2041.

He said cigarette acts as a secured source of revenue. As such, revenue officials usually bank on this source to achieve the revenue collection target set by the government to meet budgetary expenditure, he said.

### HEALTH COST OF TOBACCO

- ▶▶ Bangladesh one of the largest tobacco consuming countries
- ▶▶ Tobacco use caused **126,000** deaths in 2018
- ▶▶ **15** lakh adults suffer from diseases for tobacco use
- ▶▶ Tobacco-related deaths, diseases cost Tk **30,560** cr a year

SOURCE: STUDIES

Businesses usually have demands for various exemption. So the NBR has to find ways to achieve increased tax target, he said.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said cigarettes account for a good amount of tax as governments across the world impose high taxes on this element hazardous to health to discourage its use.

In Bangladesh, apart from VAT and SD, cigarette companies also pay the highest corporate taxes, he said.

READ MORE ON B3

## Pran-RFL turning plastic waste into new products

### Plans to double recycling capacity

SUKANTA HALDER

Pran-RFL Group, one of the leading conglomerates in Bangladesh, plans to double its plastic recycling capacity to make new products from thrown away items.

Currently, Pran-RFL Group recycles 30,000 tonnes of plastics a year, producing 100 types of new products.

"Plastic consumption will increase, so we will also expand the scope of recycling," said Mohammed Kamrul Hasan, chief operating officer of Pran-RFL Plastic Recycle Plant in Habiganj.

"Our target is to recycle 50,000 tonnes of plastics a year within five years."

He was speaking to a group of reporters during a media tour at the Pran-RFL Industrial Park in Habiganj where new plastic products are being made by recycling waste plastic items.

The group has invested around Tk 320 crore for the plastic recycling project, employing 2,000 people directly and 4,000 indirectly.

The recycling accounts for

### BY THE NUMBERS

Pran-RFL recycles **30,000** tonnes of plastic every year

The group has so far invested **Tk 320** cr

People employed: **2,000**

Types of products manufactured: **100**

Number of plastic goods makers in Bangladesh: **4,000**



A woman is working at Pran-RFL Plastic Recycle Plant at the conglomerate's industrial park in Habiganj.

about 10 per cent of 3 lakh tonnes of plastic products made by the company. The items include household products, pipes and fittings, garment accessories, and food packaging materials.

The company has been recycling plastic products since 2012. It has set up 10 centres around the country to collect used items.

In the recycling factory, there are seven production lines. Used household items such as

broken plastic chairs, wrappers, buckets, and bowls are placed on a machine plate at the factory.

The products are crushed into plastic powder on the other side of the machine. Resin, the raw

material used to make plastics, is generated from the powder.

From the resin, 100 types of products, including plastic buckets, chairs, shovels, and

COLLECTED

READ MORE ON B3

## LDC GRADUATION Govt seeks 12-year duty-free access to EU

STAR BUSINESS REPORT

Commerce Minister Tipu Munshi is hopeful that the European Union will continue its trade benefit for Bangladesh for 12 years after the country's graduation from the grouping of the least-developed countries (LDCs).

Bangladesh is set to leave the LDC group to become a developing nation in 2026.

The country is negotiating with the EU, the largest export destination for Bangladesh, to secure the duty-benefit for 12 years after graduation, Munshi said.

He spoke during a meeting with Rensje Teerink, the outgoing ambassador of the EU to Bangladesh, at his residence in Dhaka.

Apart from Bangladesh, the group of LDCs is also lobbying the EU for duty-free market access for 12 years after their graduation.

Other LDCs have assured that they would work with the EU in helping Bangladesh obtain the duty benefit, the minister said in a press release yesterday.

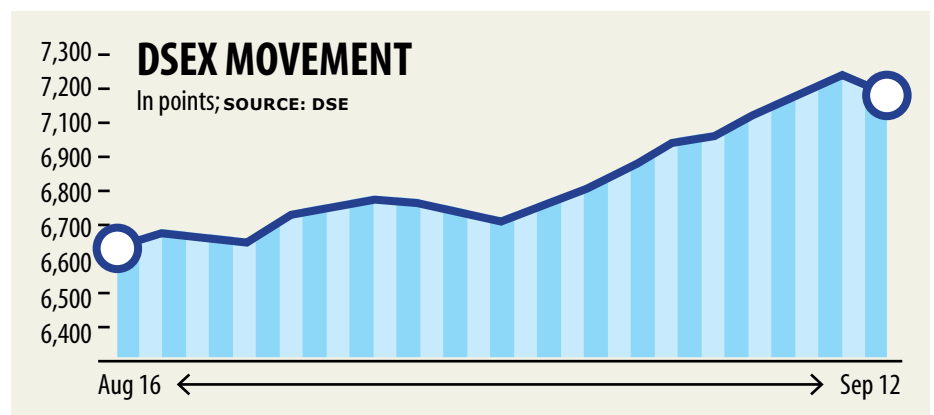
EU assistance is needed to improve the trade negotiation capacity so that Bangladesh can be more competitive in the international markets and global supply chain.

"The efforts to increase trade with the EU will continue from the Bangladesh side," the minister said.

Munshi described Bangladesh's position in the global apparel market as strong, saying the garment industry performed well with assistance from the government during the coronavirus pandemic.

READ MORE ON B3

## Stocks snap eight-day gaining streak



STAR BUSINESS REPORT

The stock market's eight-day gaining streak came to a halt yesterday as investors booked profits.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), gave up 56 points, or 0.78 per cent, to close at 7,202.

"People took their profits as the index rose continuously, and this is a normal tendency in the stock market," said a stockbroker.

The prime index advanced 435 points, or 6.3 per cent, in the previous eight trading days, DSE data shows.

READ MORE ON B3

If people take profits, the market gets the strength to soar further, the broker said, adding that a continuous rise was not a sustainable way to maintain an upward trend.

Now, people can get an opportunity to rearrange their portfolios, he said.

Turnover, an important indicator of the market, rose to Tk 2,708 crore while it was Tk 2,696 crore a day earlier.

At the start of the day, the index was on an upward trend, rising 77 points, but it began a downward slide after one hour of trading.

## Govt working to increase utility of saline lands

### Agriculture minister says

STAR BUSINESS REPORT

The government has been working to cultivate crops twice or thrice a year in the country's salinity-prone coastal and southwestern regions, Agriculture Minister Muhammad Abdur Razzaque said yesterday.

About 25 per cent of the country's total landmass is coastal and only one crop -- Aman paddy -- can be cultivated in these areas throughout the year due to its high salinity.

"For the rest of the year after harvesting Aman paddy, all the fields are left idle. We have been working on how to cultivate crops twice or thrice a year in this unfavourable environment," he added.

The agriculture minister made these comments while inspecting the early cultivation of beans, off-season watermelon and chilli on the embankments of shrimp farms in Khulna's Dumuria upazila.

"In the meantime, our agricultural



Beans are being cultivated in saline lands in Dumuria upazila of Khulna.

scientists have been able to develop salinity tolerant improved varieties of many crops including paddy, pulses, watermelon, potato, maize, barley, sunflower and vegetables," Razzaque said.

So, work is underway to rapidly expand these varieties and production technologies among all farmers in the vast coastal areas.

"To this end, a roadmap is being prepared," he added.

Razzaque went on to say that the government is planning to dig or re-excavate more than 600 canals in Khulna and Bagerhat to alleviate the scarcity of irrigation water.

READ MORE ON B3