



**Shaheen Akhter, member of tax administration and human resources at the National Board of Revenue (NBR), visits the arrangements of tax zone-5 at Segunbagicha and Kakrail, Dhaka yesterday. The field office under the NBR opened booths since November 1 to receive tax returns as well as provide information and suggestions on how to get Taxpayer Identification Numbers. Abu Sayeed Md Mostaq, commissioner of tax zone-5; Md Golam Kabir, Md Mahmuduzzaman and AKM Shamsuzzaman, additional commissioners, were also present.**

## Dollar firms as US inflation poses next test

REUTERS, London

The dollar slipped on Monday, falling below the 15-month highs it hit after Friday's jobs data, as investors reassessed rate hike expectations and central banks' tolerance of inflation.

Last week, the US Federal Reserve stuck to its view that current high inflation is expected to be transitory.

The Bank of England surprised the market by keeping rates on hold and, earlier in the week, the Reserve Bank of Australia (RBA) also pledged to be patient with policy.

At 1257 GMT, the dollar index was down 0.1per cent on the day, at 94.176, having fallen since it hit its highest level in more than a year on Friday following stronger-than-expected payrolls data.

"The market's selling dollars because the central banks are not going to hike quite as quickly as we all previously thought," said Neil Jones, head of FX sales at Mizuho.

Jones said that less rapid rate hikes benefits risk assets such as stocks, which are inversely correlated with the US dollar. The next test of the Fed's wait-and-see approach to inflation will be US CPI data due on Wednesday.

"The tightening labour market will keep pressure on the Fed to keep tightening policy going forward, and speed up rate hike plans if labour force participation does not improve as expected," MUFG strategist Lee Hardman wrote in a note to clients.

Commodity Futures Trading Commission data showed speculators scaled back their net long position on the dollar for the fourth week running in the week to November 2.

Federal Reserve Vice Chair Richard Clarida will speak about inflation and monetary policy later in the session.

"We have heard a few Fed hawks questioning the need for patience when it comes to tightening, but similar remarks from centrists like Clarida would certainly send US short-term rates and the dollar higher," ING FX strategists wrote in a note to clients.

The Australian dollar, which is seen as a liquid proxy for risk appetite, was up 0.1per cent on the day at US\$0.7408.

The New Zealand dollar was 0.6per cent higher at US\$0.7163, after Prime Minister Jacinda Arden announcing that lockdown measures will likely be phased out by the end of the month.

## Japan economic stimulus seen topping \$265b

REUTERS, Tokyo

Japan is considering an economic stimulus package worth more than 30 trillion yen (\$265 billion) aimed at easing the pain from the Covid-19 pandemic, a plan that would require issuing new debt, Kyodo news reported.

Part of the spending will come from funds carried over from last year's budget, Kyodo reported late on Sunday.

A government panel tasked with drawing up a blueprint for Prime Minister Fumio Kishida's so-called new style of capitalism is expected to issue proposals on Monday that will lay the backbone of the planned stimulus package.

The world's third-largest economy has emerged from last year's initial hit from the coronavirus pandemic thanks to robust global demand, but faces ongoing risks from soaring raw material prices and global supply shortages.

Kishida has promised to compile a large-scale stimulus package this month, and the government is aiming for it to be passed by parliament by the end of this year. Kishida has, however, stopped short of specifying the exact size of the spending and the amount of additional debt.

The Japanese ruling coalition's junior partner, Komeito, petitioned Kishida's government on Monday to take steps to support the economy such as by giving out cash payments of 100,000 yen per child, which would cost about 2 trillion yen in total.

"There can't be discrimination between those receiving it and those who don't. Children are equal," Komeito policy chief Yuzuru Takeuchi told reporters after handing in the plan at the prime minister's office.

Komeito's proposal also called on the government to give citizens 30,000 yen worth of consumption points for which individuals would qualify as long as they have a "My number card" for personal identification.

Some analysts questioned if that proposal would be effective.

If the government were to move ahead with the proposed cash handouts for all children, some households may simply decide to add to their savings instead of spending the money, said Takeshi Minami, chief economist at Norinchukin Research Institute. "It's unlikely to have a big impact on the economy over the short term," Minami warned.

The government was likely seeking to include other measures in the stimulus package aimed at supporting consumption, especially in the heavy-hit service-sector, which some analysts are hoping will underpin the economy in the coming months.

Among items expected to be included in the package were a restart of a domestic tourism promotion campaign and steps to realise a 10 trillion yen fund for university research, the Sankei newspaper reported on Friday.

To pay for the package, the government was likely to use about 4.5 trillion yen left over from the settling of accounts of fiscal 2020 and more than 10 trillion yen in other unspent funds carried over from that fiscal year, and would consider issuing new debt to cover any further shortfalls, Sankei said.

The government plans to roll out the extra budget for this fiscal year together with the ordinary budget for next fiscal year starting in April 2022 as a combined 15-month budget as it seeks to fund its efforts seamlessly, the newspaper said.

## Sydney Airport poised to sell for \$17b

AFP, Sydney, Australia

Sydney Airport announced Monday it had agreed to a US\$17 billion takeover bid by an Australian investor consortium, just days after reopening to international travel.

The airport's board unanimously approved the sale to the Sydney Aviation Alliance -- a consortium of infrastructure investors and Australian pension funds -- and recommended shareholders vote in favour.

The alliance offered Aus\$8.75 per share, or Aus\$23.6 billion (US\$17.5 billion), after its earlier offers in recent months were rejected as too low.

"Today's announcement is the culmination of months of engagement between all parties," Sydney Airport chairman David Gonski said in a statement.

"The Sydney Airport Boards believe the outcome reflects appropriate long-term value for the airport."

The announcement comes in the wake of Australia's international border partially reopening, almost 600 days after one of the world's toughest pandemic border closures began.

Vaccinated Australians travelling via Sydney and Melbourne may now come and go without quarantine or obtaining an official exemption -- with the move seen as the country's first step in the gradual resumption of travel.

The airport sale remains subject to conditions, including an independent expert evaluation.



**Abul Kalam Mohammad Ziaur Rahman**

## Bepza gets new executive chairman

STAR BUSINESS DESK

Major General Abul Kalam Mohammad Ziaur Rahman has been appointed as executive chairman of the Bangladesh Export Processing Zones Authority (Bepza) in place of the outgoing Major General Md Nazrul Islam.

Rahman served as general officer commanding of the 7th Infantry Division before going on to become the defence adviser of the Bangladesh High Commission in New Delhi, India.

His Military career spanned command, staff and instructional appointments.

He served as a logistics staff officer as well as an operations, planning & intelligence staff officer at the Brigade, Army Training & Doctrine Command and Army Headquarters.

Rahman also served in the prestigious positions of a directing staff at the Defence Services Command and Staff College and instructor at Bangladesh Military Academy.

In his decorated service life, Major General Rahman also served in various capacities at the battalion level. Moreover, he has served at the UN mission in Haiti and Sudan.

## Mobile payments firm Paytm kicks off India's biggest IPO

AFP, Mumbai

India's biggest-ever initial public offering opened Monday with digital payments platform Paytm looking to raise nearly \$2.5 billion, in what has already been a record year for share listings.

Paytm is backed by Chinese tycoon Jack Ma's Ant Group, Japan's SoftBank and Warren Buffett's Berkshire Hathaway, which together own around a third of the company.

The firm was founded barely a decade ago by Vijay Shekhar Sharma, the son of a schoolteacher who says he learned English by listening to rock music.

He was ranked India's youngest dollar billionaire four years ago at the age of 38 and now has a net worth of \$2.4 billion, according to Forbes. He owns a nearly 14-per cent stake. Paytm was issuing fresh shares worth 83 billion rupees (\$1.1 billion), with existing shareholders selling stocks worth \$1.34 billion, according to the prospectus.

The IPO is expected to make Paytm India's most valuable tech company with a valuation of \$20 billion, up 25 per cent from two years ago.

The platform was launched in 2010 and quickly became synonymous with digital payments in a country traditionally dominated by cash transactions.

It has benefited from the government's efforts to curb the use of cash -- including the demonetisation of nearly all banknotes in circulation five years ago -- and most recently, from Covid.

"I didn't know corona would happen but Paytm was very useful to me during the pandemic," Mumbai grocery shop owner Naina Thakur told AFP.

## Banking sector reform, subsidy to top agenda

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The IMF always says that the prices of energy should be aligned with the international markets to keep the budget deficit at a manageable level, officials say.

The government has set a 6.3 per cent budget deficit target for the current fiscal year, but it may overshoot given the surge in commodity prices internationally.

Last week, Bangladesh raised the price of fuel oils such as diesel and kerosene after their prices went up sharply in the global markets.

A finance ministry official, however, says the price increase is not linked to any condition of the IMF. The budget for the current fiscal year has not set aside any funds as subsidies for the fuel sector.

It has allocated Tk 9,000 crore for the power sector. But because of the hike in fuel prices, another Tk 6,000 crore might be needed if the tariff of electricity is increased.

Similarly, the government may need to channel another Tk 2,000 crore to the agriculture sector as subsidies if the price is not adjusted in line with global prices of fertilizer. Prices of most fertilizers surged in 2021, driven by strong demand and higher input costs. Agriculture subsidy currently stands at Tk 9,500 crore.

The government may raise the power and gas prices. The fertiliser price may remain unchanged.

The exchange rate of the taka will be discussed during the meeting.

Although the central bank has introduced a floating exchange rate, it indirectly intervenes in the market when required in order to keep the local currency stable. The IMF wants it to be market-

driven.

A BB official says a weak taka will create inflationary pressure, so the central bank does not allow too much depreciation.

In recent times, the taka has come under pressure because of the rise in imports, prompting the central bank to sell US dollars. The BB has sold dollars worth \$1.58 billion so far in the current fiscal year, which was nil in the last fiscal year.

The official average exchange rate hovers around Tk 85 per USD.

The IMF mission will also emphasise the reforms in the revenue sector, according to the finance ministry official.

In June 2019, the IMF said the organisational structure of the National Board of Revenue needs to be modernised to improve its coordination and efficiency.

About the vaccination programme, the IMF will discuss the spending related to vaccination drives and the use of donor funds as it sees immunisation as key to turning around from the pandemic.

Since the mass immunisation began in February this year, the government has administered eight crore doses and has targeted to raise it to 12 crore doses by January.

The government has received \$940 million from the Asian Development Bank and \$500 million from the World Bank to implement the vaccination programme. Another \$500 million may come from the Asian Infrastructure Investment Bank and \$300 million from Japan.

The government has allocated Tk 10,000 crore in the budget to inoculate the population. So far, about Tk 12,600 crore has been spent on purchasing vaccines.

## Strike of goods transporters taking toll on trade

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The amount of export cargo received by the ICDs from around the country was also poor. Esack Brothers Industries, an ICD located near the Chattogram port, received export-oriented goods from only 84 trucks and covered vans, while on a normal day, it remained usually over 300.

Meanwhile, trade at commodity centres, including Khatunganj, one of the country's largest commodity hubs in Chattogram, increased to a small extent as some buyers managed to turn up.

Transportation that was available at Khatunganj was found to be charging higher than usual.

Onion and garlic trader Md Idris said no onion could arrive from the Indian borders in the last four days, but some imported from Myanmar arrived in 15 trucks from Teknaf.

Several trucks were seen being loaded with goods in the afternoon.

Truck driver Mohammad Hridoy, who was standing in front of a wholesaler, said he was hired by a wholesaler from

Brahmanbaria to carry onion, garlic and ginger to the district.

Unable to make any money since Friday, he had taken to work out of desperation and an apparent absence of strike-enforcers on the roads.

Manik Mia, a vegetable trader of Dinajpur, said transportation was available for sending goods around the country. But truckers are charging Tk 3,000 to Tk 5,000 higher, he added.

Echoing him, Md Babul Mia, president of a wholesalers' association in Shibganj upazila in Bogura, said they were now paying Tk 2,000 to Tk 2,500 more to transport goods from the district to Dhaka.

For Bogura to Chattogram, it was up by Tk 4,000 to Tk 5,000 due to the fuel price hike, he said.

He, however, assured that this would not have any impact on the prices of commodities.

On Sunday, several vegetable traders said they had to pay an additional Tk 5,000 to Tk 10,000 for every trip on different routes during the transport strike.

## Southeast Bank fined Tk 10 lakh for flouting stock rules

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But, the central bank's probe found that the shares were transferred from one account to another account of the bank, the BB document said.

Southeast Bank has resorted to trickery as the actual sales of the shares did not take place, it said.

The BB will fine Southeast Bank Tk 50,000 per day until it brings down the number of shares in line with the regulatory ceiling.

Contacted, Alamgir Kabir said that he had followed compliance throughout his life.

"I did not violate any rules. I am just an honorary adviser of the insurance company."

"Once, I was an independent director of the company. Later, I resigned as a bank director can't hold the same position in any other financial institution. I do not have any investment in the insurance company."

Anwar Uddin, acting managing director of the bank, said that there had been some miscalculation as the lender invested 13.82 per cent of its paid-up capital in NLICL.

"We have appealed to the central bank to consider the issue," he said.

The bank has already cut down the number of shares to some extent and will comply with the rule in the quickest possible time, he said.

In September, the BB fined NRB Bank Tk 49.50 lakh for breaching securities rules by buying the shares of Pioneer Insurance beyond the investment ceiling.

The central bank also imposed a fine on NRB Commercial Bank for its aggressive investments in the capital market in breach of laws.

## S Korean firm to invest \$31.17m in Adamjee EPZ

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industrial plants of export processing zones on lease.

Ali Reza Mazid, member for investment promotion of the Bangladesh Export Processing Zones Authority (Bepza), and Young Dae Joseph, acting director of Kido Dhaka Company, signed an agreement on behalf of their respective organisations at Bepza Complex in Dhaka yesterday.

Major General Abul Kalam Mohammad Ziaur Rahman, new executive chairman of Bepza, and Major General Md Nazrul Islam, previous executive chairman, were present.

In addition, the South Korean sportswear manufacturer also has five plants collectively in Vietnam, Myanmar and Indonesia.

## Panel formed to review commodity pricing formula

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"Our target is to reduce the prices of some basic commodities like edible oil and sugar by reviewing the formula," he also said.

Experts like professors of the University of Dhaka, Bangladesh University of Engineering and Technology, the Federation of Bangladesh Chambers of Commerce and Industry, refiners, millers, importers and stakeholders concerned attended the workshop.

To set a commodity's price, the current price fixing method takes into consideration a number of elements, including processing and import costs, tariff, bottling, losses during refining, port charge and transport costs.

For instance, the current method considers 4.5 per cent as the refining loss and this element has a room for reviewing

as the technologies of refining improved a lot and the quantity of losses during the refining also lowered, Shafiquezzaman also said.

Similarly, there are a few more areas where the review may help in reducing the prices of edible oil and sugar in the local markets, the additional secretary also said, adding that the committee will mainly analyse those small areas to form a new price fixing method.

Commerce Secretary Tapan Kanti Ghosh said new formula may help in fixing the exact price of basic commodities as the committee will review and analyse the data.

"We need to revisit the old formula as the time and situation has changed a lot over the years," said Ghosh, who also attended the workshop.