



Iftekharul Islam re-elected Uttara Bank vice-chairman

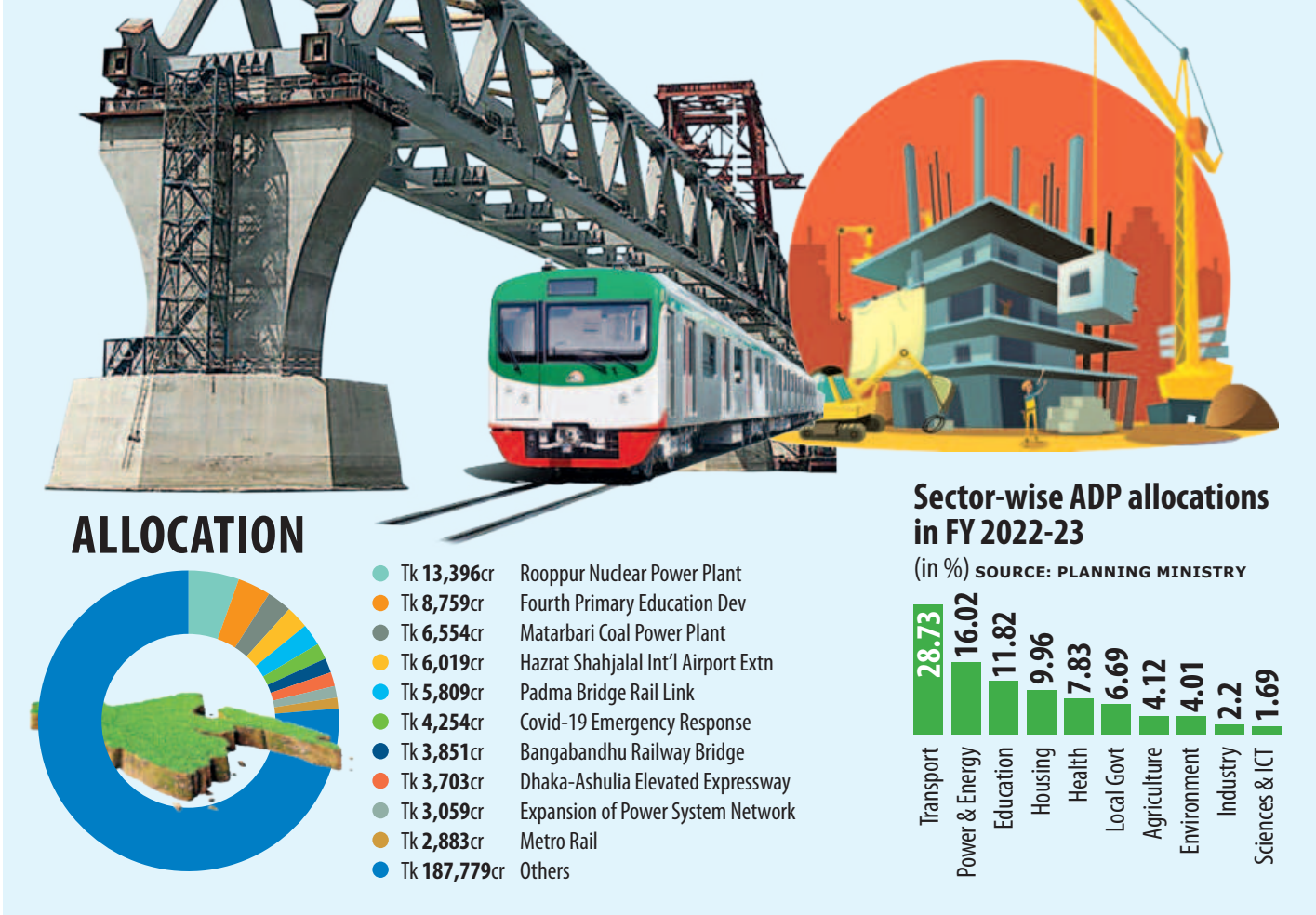
STAR BUSINESS DESK

Iftekharul Islam has been re-elected the vice-chairman of Uttara Bank. He will simultaneously play the roles of vice-chairman of the executive committee and chairman of the risk management committee. Islam is the managing director of Aftab Group, said a press release. He is also chairman of Uttara Bank Securities, a subsidiary of Uttara Bank and UB Capital and Investment, and a member of the executive committee and general body of the Bangladesh Association of Banks.

2cr rural people to get access to eye care by 2023

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A joint initiative by MetLife Foundation and EssilorLuxottica's Social Impact Fund will by 2023 help create over 800 entrepreneurs to provide eye care services, such as vision testing, for two crore people in rural areas. With a pooled fund of \$1 million from both organisations, the programme is being implemented by Thengamara Mohila Sabuj Sangha (TMSS), said a press release. The TMSS conducts recruitment and training of eye care providers known as "vision entrepreneurs". The funding will enable the TMSS to set up four new training centres across Jashore, Cumilla, Khulna and Chattogram.



One-fourth of proposed ADP budget goes to 10 mega projects

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The government yesterday allocated more than one-fourth of the total development budget for the fiscal year of 2022-23 to 10 mega projects on the fast-track list with a view to accelerating their completion. Of the total 1,349 projects being developed across the country, the government allocated Tk 58,287 crore for these 10 projects alone considering their importance to the economy. The size of the annual development programme (ADP) for FY23 has been fixed at a record-high Tk 246,066 crore, of which Tk 153,066 crore will come from internal sources while foreign aid will contribute the rest. "The number of projects has been reduced this year as we have brought small and/or similar initiatives under a single project," said Professor Shamsul Alam, the state minister for planning, while briefing journalists after a meeting of the National Economic Council chaired by Prime Minister Sheikh Hasina virtually. Between 1,700 and 1,800 projects were included in the ADP in the last few years but this time around, the number has been reduced to around 1,300. "This approval is keeping in mind the overall development of the country. Various developments, including the implementation of mega projects, have been given priority," Prof Alam added.

The state minister went on to say that with this measure, qualitative changes are being brought to the project implementation system. "Also, poverty alleviation work has been given importance in the upcoming ADP." The proposed ADP has increased by 9.2 per cent compared to what it was in the original budget for the fiscal year 2021-22 and 18.56 per cent compared to the revised financial plan for the same year. However, the increased allocation is still Tk 38,699 crore short of what implementing ministries and divisions had sought. Foreign aid for the proposed ADP is expected to be 5.65 per cent higher than its value in the original budget for the ongoing fiscal year while it is 32.38 per cent higher than what it was in the revised budget. Of the mega projects, the Rooppur Nuclear Power Plant was given the highest allocation of Tk 13,396 crore. The project attained about 45 per cent completion as of March and remains the top performer among all mega projects being built this year. "Construction work has not stopped even for once despite the ongoing global situation. Work even continued amid the coronavirus pandemic, making it the fastest implementation of a project," said Planning Minister MA Mannan. Regarding the management of foreign funds, he said it will not be a disaster. "Getting foreign funds has not mattered much so far. We are just facing higher

shipping costs and an increase in the cost of raw materials such as rods and cement." The project, which became mired in uncertainty following Russia's invasion of Ukraine and the resulting Western sanctions against Russia, is progressing as per schedule with the first unit set to open by 2024 and the second unit by 2025. Among other mega projects, the Fourth Primary Education Development Programme got an allocation of Tk 8,759 crore in the new ADP. The government allocated Tk 5,809 crore for another mega project, the Padma Bridge Rail Link Project, while the Matarbari 600MW ultra-supercritical coal-fired power project got Tk 6,554 crore. The Hazrat Shahjalal International Airport expansion project got Tk 6,019 crore and the Dhaka-Ashulia Elevated Expressway Tk 3,703 crore. In the proposed ADP, the government allocated Tk 70,695 crore for the transport and communication sector, an increase of 14.7 per cent compared to what it was in the current year's development programme. The second highest allocation went to the power and energy sector with Tk 39,412 crore, which was slashed by 16.37 per cent compared to that of the current fiscal year's ADP. Meanwhile, spending on education in the proposed ADP has increased by 25.46 per cent compared to the previous amount set aside for the sector.

Salvo Chemical's cornstarch unit ready for production

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Salvo Chemical Industry yesterday announced that its cornstarch unit is ready to commence production. The required machinery has been set up and trial runs conducted, said the listed company in a disclosure on the website of the Dhaka Stock Exchange. Cornstarch is used in food-processing, pharmaceuticals, paper and textile sectors. It is a popular cooking ingredient for soups, stews, sauces and custards and is also used in clothing to keep them crisp and wrinkle-free. By implementing the project, Salvo Chemical Industry will be able to supply the key raw material to its own manufacturing unit for liquid glucose. Earlier, the company informed that it planned to invest around Tk 70 crore to set up the factory and it would produce around 25,000 tonnes of the material annually.

Earnings per share stood at Tk 1.14 in the quarter against Tk 0.12 in the same period a year ago, an increase of a staggering 850 per cent year-on-year, according to the company's unaudited financial statement

The company produces agro-based organic chemicals such as maize starch powder of food and textile grades, liquid glucose, maize germ, corn gluten meal, pulverised fibres, and non-organic chemical sulphuric acid, according to its website. The company's earnings rose more than nine times in the January-March quarter of the current financial year. Earnings per share (EPS) stood at Tk 1.14 in the quarter against Tk 0.12 in the same period a year ago, an increase of a staggering 850 per cent year-on-year, according to the company's unaudited financial statement. The EPS was Tk 2.49 in the first nine months of the financial year ending in June, up nearly 500 per cent against Tk 0.42 in the same period a year ago. The company attributed the surge in profits to increased sales as demand rose. Non-operating income also rose during the period significantly. "Therefore, sales, gross profit, net profit, and EPS increased compared to the same period of the previous year," it said. The net operating cash flows per share, a measure of a firm's financial strength, went up to Tk 3.46 in the July-March period from Tk 0.63 last financial year, thanks to the increased sales and collection from customers and cash received from other than operating income. Net asset value per share rose to Tk 14.99 as of March 31. It was Tk 12.69 as of June 30 last year.

Milk prices rise but farmers

FROM PAGE B1 while the half-litre packs of the product now cost Tk 45 instead of the previous Tk 40. The retail price of Milk Vita and Farm Fresh liquid milk products has remained unchanged, but some retailers have warned that they would too increase the prices soon. Kamruzzaman Kamal, marketing director of Pran-RFL Group, said the production cost of producing milk has risen considerably due to the increase in feed, labour and other costs. "Under this backdrop, it will not be possible for the business to survive by selling milk at the previous rates." Feed prices have gone up by 50 per cent to 100 per cent in the last six months as the cost of soybean meal and maize rose by 30 per cent to 40 per cent, said Mohammad Shah Emran, general secretary of the Bangladesh Dairy Farmers Association. But although milk prices

have increased at the retail level, the prices have seen little change at the farm level, where producers are earning just an additional Tk 1-2 per litre sold. Rajab Ali, a dairy farmer on the Zoo Road in Mirpur, sells milk sourced directly from his own farm comprising 25 cows. He said the prices would be revised upwards soon. The price of salt, crushed rice and other cattle feed ingredients has gone up by 50 to 70 per cent. Besides, workers could previously be employed for about Tk 8,000 per month but even Tk 15,000 is too less for them now, he added. Md Rafiqul Islam, managing director of the Bangladesh Milk Producers' Co-operative Union Ltd (Milk Vita), says although it has not increased prices yet, different calculations to this end are underway. "We are working on how to reduce the production cost. If we can't reduce the production cost and if we are compelled to raise it,

we will keep the increase reasonable." Akbar Ali, a resident of Kalyanpur in the capital, gets a salary of Tk 25,000 as a private employee. Before the recent price increase of essentials, he could manage two eggs and 250 grammes of milk for each of his two kids, respectively three and one year old, every day. Now, they get just one egg daily while milk comes only every other day. "They will suffer from malnutrition if this goes on but what can I do?" Ali asked. Traders also say the price of powdered milk went up by Tk 60-70 per kilogramme last week, depending on the supplying company. The price will go up further, they added. MILK COMPANIES DEPRIVE FARMERS OF FAIR PRICES Md Al Amin, a milk producer in the Faridpur municipality, said Pran Dairy buys his milk for between Tk 43 and Tk 50

Tax collection target likely

FROM PAGE B1 the domestic level and the income tax. Indeed, the growth of indirect tax collection at the domestic level was less than the nominal GDP growth expected by the Bangladesh Bureau of Statistics. "This is simply unacceptable," he said. Even if the attained growth rate in the nine months sustains, the NBR will face a shortfall to the tune of more than Tk 30,000 crore, Khan added. The government has not revised downwards the target for the NBR, which generates roughly 86 per cent of the total revenue for the state. A senior official of the NBR said the revenue collection usually gained pace in the last quarter of the fiscal year, especially in the month of June because of increased implementation of the Annual Development Programme, one of the major sources of withholding taxes from contractors. He said the NBR's overall collection is likely to be Tk 310,000 crore at the end of the fiscal year. That means this would be the 10th consecutive year the NBR would fail to achieve the original and revised targets fixed by the government, data from the finance ministry showed. A very higher target than the actual collection, the absence of major reforms aimed at modernising the tax administration and governance-related problems have been the main factors for the recurrent failure to hit the revenue generation goals. For instance, the government gave a 25 per cent higher target for the NBR in FY22 than the actual collection of Tk 263,872 crore in the last fiscal year. In FY21 too, the NBR was tasked with logging a 53 per cent higher tax growth from Tk 216,037 crore earned a

year ago. On average, the annual tax collection target was 40 per cent higher for the revenue administration than it could actually collect in the last nine years, according to the NBR. Raihan, also a professor of the economics department at the University of Dhaka, said the NBR has been failing to attain targets as there had been no structural changes in the tax systems. "We have not seen any major improvement in tax infrastructure. There has been no major push for digitalisation. We have seen efforts for modernisation but those are not integrated. They are rather sporadic. Also, governance-related problems have not been addressed." The professor said the higher tax target and collection is necessary to push up the tax-to-GDP ratio as Bangladesh aspires to become a developed economy. Rashed Al Mahmud Titumir, a professor of economics at the Department of Development Studies of the University of Dhaka, said the NBR is likely to miss the target like the previous years. "As usual, it will need to revise the collection target." He said it was evident that there would be a squeeze in consumption for the economic slowdown caused by the coronavirus pandemic. "Keeping in mind the possible shock, it was necessary for the tax authority to prepare strategies to increase collection. But we have not seen any strategy from the NBR to respond to the crisis," he said, adding that the strategy was necessary to create fiscal space for development spending. Prof Titumir said the revenue authority could take steps to settle tax-related cases in courts.

Stocks drop for fifth consecutive

FROM PAGE B1 against surging demand to settle import bills. Because of the squeezing supply of the American greenback, travelers had to pay between Tk 97 and Tk 102 per USD at banks yesterday. Bangladesh is under tremendous pressure to weaken the taka to protect its depleting foreign currency reserves amid soaring imports against moderate exports and falling remittances.

The DS30, the blue chip index, and the DSES, the Shariah-based index, lost 2.26 points and 1.53 points, respectively. Among the major sectors, cement plunged 1.9 per cent, paper dropped 1.3 per cent and tannery fell 0.2 per cent. The investors' activity was mostly concentrated on pharmaceuticals (14.8 per cent), miscellaneous (12.8 per cent), and textile (9.1 per cent). Daffodil Computers topped the gainers' list

thanks to a 9.97 per cent gain. International Leasing Financial Services, Fu-Wang Ceramic Industries, ICB AMCL First Agrani Bank Mutual Fund, and Bangas also saw major gains. RD Food shed the most with a 4.9 per cent drop. Sonar Bangla Insurance, IPDC Finance, Jute Spinners, and Pragati Insurance were among the heavy losers. Beximco Ltd became the most traded stock on the day with its shares worth Tk 47 crore changing hands, followed by Shinepukur Ceramics, JMI Hospitals, Salvo Chemical Industries, and Fu-Wang Ceramic Industries. The Chittagong Stock Exchange (CSE) also fell. The CASPI, the main index of the CSE, was down 121 points, or 0.64 per cent, to close the day at 18,745. Of the 293 stocks traded on the bourse in the port city, 66 rose, 195 fell, and 32 did not see any price movement.

Global clothing retailers

FROM PAGE B1 Bangladesh. They include Gap, Walmart, Tesco, G Star, VF Asia, Li & Fung, Uniqlo, Zara, Inditex, American Eagle, and LC Waikiki. As global buyers are widening their footprint in Bangladesh, Hamid Fabrics expanded its production capacity to one lakh yards of woven fabrics per day from 75,000 yards just before the coronavirus outbreak. "With the improvement of the global Covid-19 situation, the sales in Europe and the US have rebounded and many buyers are facing a shortage of apparel items now. As a result, they are calling for quick supply of goods," said Mahin. Urmi Group, another garment exporter, makes 35 tonnes of fabrics per day and supplies the entire produce to its garment segment to manufacture products for its clients. "I have had to increase my production capacity as buyers are demanding more local fabrics," said Asif Ashraf, managing director of the company. Urmi Group is sitting on a lot of orders and is expecting to rake in \$200 million in exports this year, up 20 per cent from a year

ago. The rise in the local production of fabrics has pushed up the import of raw cotton in the last few years. Bangladesh may need 9.5 million bales of the textile raw material this year to feed the vast textile industry, according to estimates of various international research bodies. It was 7 million bales three years ago. Md Shahidullah Azim, senior vice-president of the Bangladesh Garment Manufacturers and Exporters Association, says exporters can save up to 60 days in some cases if apparel items are produced from local fabrics. "However, the price is a major factor since China can supply raw materials at competitive rates." Mohammad Ali Khokon, president of the BTMA, echoed Azim. He added although mills are flooded with orders, the inadequate supply of gas has appeared as a major bottleneck for the sector. Local millers are lagging behind China when it comes to offering competitive prices and fabric designs, added Azad, a former president of the Federation of Bangladesh Chambers of Commerce and Industry.