

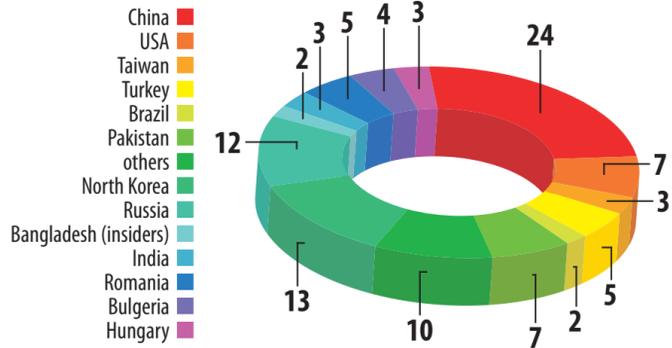
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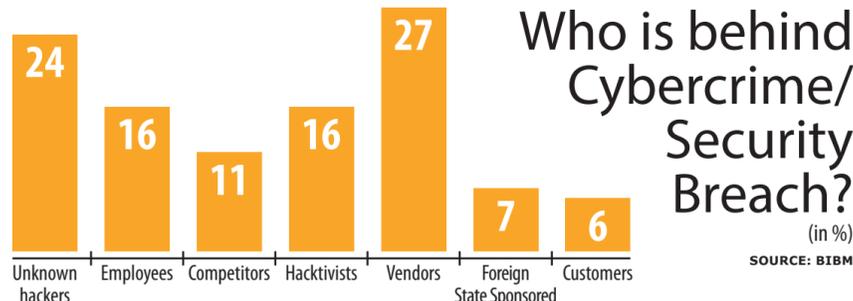
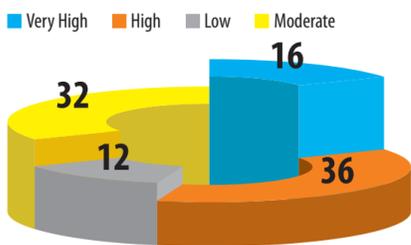
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Origins of Cyber Attacks (in %)



Cyber Security Risk of Banks (in %)



Over half of banks at high risk of cyber-attacks: BIBM

STAR BUSINESS REPORT

A high risk of cyber-attacks looms large over 36 per cent of banks in Bangladesh mainly due to a shortage of investment in strengthening security measures, skilled personnel and a lack of awareness among bankers and customers.

In addition, another 16 per cent of banks are in a very high-risk condition, an indication of the fragile cybersecurity scenario in Bangladesh's banking sector, according to research carried out by the Bangladesh Institute of Bank Management (BIBM).

Md Mahbubur Rahman Alam, an associate professor of the BIBM, presented the findings at a cybersecurity summit organised by the Association of Bankers Bangladesh (ABB) at the Pan Pacific Sonargaon hotel in Dhaka.

Only 12 per cent and 4 per cent of banks are now in low and very low-risk zones, respectively.

The BIBM carried out the research based on the situation of the banking sector as of 2020.

Although the banking sector has observed a "dreadful growth" in IT infrastructures,

there has been a lack of security measures to protect banks from cyber-attacks.

Alam said banks had invested Tk 42,609 crore to build IT infrastructures and run the system till 2020.

The number of employees in the banking sector stood at 1.94 lakh in 2020, of which 5,875 were deployed to run their IT infrastructures.

"The top local educational institutions such as Dhaka University and Bangladesh University of Engineering and Technology are unable to produce the experts what we need," Alam said.

For the lack of IT experts in the banking sector, the majority of lenders are trying to recruit people offering high salaries, but they are failing to fulfil their demands, he said.

When faced with IT-related problems or loopholes, all lenders usually make a mad dash for a solution, he said.

But this should not be the practice for banks, he said, suggesting lenders take up long-term initiatives to strengthen their IT operations.

"Banks should take a long-term initiative by spending at least 4 to 5 years to establish a sound and secure IT platform," he said.

Only 18 banks out of 61 have so far built security operations centres (SOC) to monitor, prevent, detect, investigate and respond to cyber threats.

Bangladeshi banks face the highest number of cyber-attacks from China, which is 24 per cent, followed by 13 per cent from North Korea, and 7 per

cent in a "very poor" condition and 22 per cent in "poor".

Only 4 per cent of bankers have excellent knowledge on the issue.

Alam proposed establishing a "Bangladesh Institute of Electronic Banking Research and Development" to bolster



banks' IT infrastructure, which is why lenders have to invest a lot in cyber security."

Integrated cyber security has emerged as a part and parcel of everyday banking operations, Kabir said.

He also touched upon the ongoing volatility in the country's foreign exchange market.

He claimed that Bangladesh's foreign exchange reserves were still in a comfort zone.

The reserves stood at \$41.7 billion last week, which is good enough to settle import bills for more than five and a half months.

Selim RF Hussain, chairman of the ABB, said cybercrimes in the financial sector had risen globally in the last few years.

Cyber-attacks against financial institutions rose by 238 per cent between February and April of 2020, and globally, one out of four banks had experienced at least one security breach.

In addition, attacks against the banking and financial services industry accounted for 11 per cent of all reported incidents, compared to 7 per cent in other industries.

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US, EU divided over LDC trade benefit extension

12th Ministerial Conference of WTO begins

REFAYET ULLAH MIRDHA, from Geneva

Two major economic powers of the world, the US and the European Union, are divided on continuation of trade facilities meant for the least-developed countries (LDCs) once they make the United Nations status graduation to become developing countries.

The matter surfaced at the ongoing 12th Ministerial Conference (MC12) of the World Trade Organisation (WTO) in Geneva of Switzerland.

Bangladesh, along with other LDCs, is negotiating with the WTO and developed and

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developing countries for the extension, initially seeking 12 years and later either nine or six years.

The LDCs headed by the Central African country Chad submitted a petition to the WTO in October 2020 demanding the extension. But owing to the US opposition, it will be difficult to reach a positive conclusion, said the negotiators.

Tapan Kanti Ghosh, senior secretary of the commerce ministry of Bangladesh, held a media briefing after the first day's meeting of the ministers and representatives from the LDCs.

He said the EU has taken a soft stance in favour of the extension but the US was opposing.

However, all the LDCs in their forum meeting demanded the extension by at least six to nine years, reasoning difficulties faced for the pandemic and the subsequent Russia-Ukraine war.

"We have just started our negotiation and I am hopeful that we will be able to reach a good conclusion over the issue of trade facilities extension," Ghosh said.

Commerce Minister of Bangladesh Tipu Munshi urged the global leaders and the WTO not to put any ban on the export of food items

READ MORE ON B3

STOCKS	
DSEX	CASPI
0.75%	0.70%
6,421.46	18,891.49

COMMODITIES		AS OF FRIDAY
Gold	Oil	
\$1,871.61 (per ounce)	\$120.62 (per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
1.84%	1.49%	0.87%	1.42%	
54,303.44	27,824.29	3,181.73	3,284.83	

Telcos fined Tk 7.65cr for illegal VoIP

MAHMUDUL HASAN

The telecom regulator has recently fined four mobile network operators Tk 7.65 crore as their SIMs were found with equipment confiscated for the use of illegal Voice over Internet Protocol (VoIP).

The Bangladesh Telecommunication Regulatory Commission (BTRC) fined state-run Teletalk Tk 5 crore, Robi Axiata Tk 2 crore, Grameenphone Tk 50 lakh, and Banglalink Tk 15 lakh.

The commission sent letters to the operators on June 7 and asked them to clear the penalty by June 30.

According to the sources at the BTRC, the law enforcement agencies during raids in collaboration with the telecom regulator seized 52,344 SIM cards of different operators along with VoIP equipment from different parts of Bangladesh in 2018 and 2019.

Initially, the amount of the fine was Tk 26.6 crore.

Later, the commission conducted hearings in April this year and slashed the amount after revisions based on the operators' application.

According to a BTRC official, the commission instructed the operators to take necessary measures so that no SIM is found involved in illegal VoIP activities.

For the presence of mobile connections with the



READ MORE ON B3



Rice being sold from a truck of the Directorate General of Food in the capital's Palashi intersection on Saturday under an Open Market Sale programme offering subsidised rates. Under the package, five kilogrammes of rice and three kilogrammes of flour must be bought together, with each kilogramme costing Tk 30 and Tk 23 respectively.

PHOTO: AMRAN HOSSAIN

READ MORE ON B3

Govt cuts food budget

SOHEL PARVEZ

The government has cut its target on food distribution, which supports poor and low-income people, by 5 per cent to 30.95 lakh tonnes in the next fiscal year from the revised budget of 2021-22, finance ministry documents showed.

Analysts were, however, critical of the reduction in the food distribution plan at a time when the food security of poor and vulnerable people is under threat in the face of high prices of the staple grain rice and a number of essential commodities for the war in Ukraine and erratic supply in the market.

During the current fiscal year, the food directorate distributed 28.86 lakh tonnes of rice and wheat through various programmes, including open market sales and the food-friendly programme, and the vulnerable group development scheme, from July 1, 2021, to June 2022, according to the food ministry data.

StanChart Saadiq Bangladesh wins award

STAR BUSINESS DESK

Standard Chartered Saadiq Bangladesh has won an award at Digital CX Awards 2022 in the category of digital customer experience across the financial services ecosystem.

The award was presented by Singapore-based news, business intelligence and research organisation The Digital Banker, said a press release.

"This achievement is a sign that our digital journey is headed in the right direction," said Sabbir Ahmed, managing director and country head of retail banking at Standard Chartered Bangladesh.



Bamboo baskets are high in demand during the litchi and mango season in Dinajpur, enabling safe transportation of the squishy fruits. Each basket can sell for Tk 80 to Tk 400 depending on the size, enabling good earnings for local people. The photo was taken at a litchi market in Dinajpur recently.

PHOTO: KONGKON KARMAKER

40 entrepreneurs get loan from Midland Bank

STAR BUSINESS DESK

Midland Bank in collaboration with Usha Foundation, a non-government organisation, disbursed a loan of Tk 1 crore, out of Tk 4.50 crore, among 40 entrepreneurs of Jamdani Cluster in Narayanganj.

Md Ahsan-uz Zaman, managing director of Midland Bank Ltd, handed over the cheques to the borrowers at the foundation's conference hall at Tarabo of Rugganj Thana in Narayanganj, a press release said.

Md Sharafat Ullah Khan, deputy general manager for SME and Special Programmes Division at Bangladesh Bank, Md Tajul Islam, executive director of Usha Foundation, Md Javed Tareq Khan, head of institutional banking division at Midland Bank and Md Ahsan Jamil Hossain, head of SME Banking Division, were present.

Resurging US inflation puts Fed on track for more big rate hikes

AFP, Washington

Red-hot US inflation is showing few signs of cooling, putting the Federal Reserve on track to continue its aggressive interest rate increases to help cool high prices that are challenging Joe Biden's presidency.

The hoped-for signs of relief for American families did not materialize in May as consumer prices hit a new four-decade high, rising 8.6 per cent and topping what economists thought was the peak in March.

With Russia's war on Ukraine continuing to pressure global fuel and food prices, and amid ongoing supply chain uncertainties due to Covid-19 lockdowns in Asia, analysts now say the expected easing of inflationary pressures will take much longer to materialize.

The US central bank already had signaled plans for more big increases in the benchmark borrowing rate this week and next month, but chances are rising that the Fed might have to be even more aggressive -- which increases the risk the economy might tip into a recession.

The latest inflation report -- the last

major data point before the Fed's policy meeting Tuesday and Wednesday -- also douses hopes central bankers will be able to call a ceasefire in September ahead of key congressional elections, where Biden's Democrats are widely expected to suffer damaging losses.

Prices continued to rise last month for a range of goods, including housing, groceries, airline fares and used and new vehicles, setting new records in multiple categories, according to the Labor Department data.

Energy has soared 34.6 per cent over the past year, the fastest since September 2005, while food jumped 10.1 per cent, and the cost of fuel oil more than doubled, jumping 106.7 per cent, the largest increase in the history of CPI, which dates to 1935.

The CPI surge "raises the probability of even more aggressive Fed rate hikes to tamp down on inflationary expectations," said Mickey Levy of Berenberg Capital Markets. If the policy-setting Federal Open Market Committee decides on a giant step -- three quarters of a point rather than the expected half-point increase -- it would

be the first 75 basis point rate hike since November 1994.

Diane Swonk of Grant Thornton indicated such a move is possible.

"They are behind the curve and eager to catch up," she said on Twitter. "Fed has to reduce demand to meet a supply-constrained world. Ugly in many ways."

Economists at Barclays are now calling for a 0.75-point increase, though Ryan Sweet at Moody's says chances are low, and Karl Haeling at LBBW expects three more half-point hikes.

Biden is facing growing political backlash as high prices increase the pain for American families, who are seeing daily records at the gas pump and higher grocery bills due to the fallout from Russian leader Vladimir Putin's invasion of Ukraine.

Unlike his predecessor Donald Trump, who relentlessly attacked the Fed and its chair Jerome Powell, Biden has publicly endorsed the central bank's efforts.

Biden, who blames "Putin's Price Hike" for the acceleration in inflation, said Washington "must do more -- and quickly -- to get prices down here in the United States."

Rokia Afzal Rahman, AK Azad re-elected ICC Bangladesh vice-presidents



Rokia Afzal Rahman

AK Azad

STAR BUSINESS DESK

Rokia Afzal Rahman, chairman of Arlinks, and AK Azad, managing director of Ha-Meem Group, have been re-elected vice-presidents of the International Chamber of Commerce Bangladesh for a two-year term (April 2022 to March 2024).

Rahman is a former caretaker government adviser and president of the Metropolitan Chamber of Commerce and Industry, Dhaka and the Women Entrepreneurs Association in Bangladesh, said a press release.

Azad is a former president of the Federation of Bangladesh Chambers of Commerce and Industry, Bangladesh Chamber of Industries and Dhaka University Alumni Association.

BRB Hospitals offers discounts to IBBL cardholders

STAR BUSINESS DESK

Islami Bank Bangladesh Ltd (IBBL) recently signed a memorandum of understanding with BRB Hospitals enabling up to 25 per cent discount at the hospital for the bank's cardholders, officials and their family members.

JQM Habibullah, the bank's deputy managing director, and Md Monsur Ali, the hospital's director, signed the deal at the hospital, said a press release. Md Maksudur Rahman, senior executive vice president of the bank, Md Mizanur Rahman Bhuiyan, executive vice president, and Mofizur Rahman, director of BRB Group, were present.

India considers curbing fridge imports

REUTERS, New Delhi

India is considering restricting imports of refrigerators to promote local manufacturing, two industry sources told Reuters on Thursday, potentially freezing out shipments from Samsung Electronics Co and LG Electronics Inc in the \$5 billion market.

The sources, who declined to be named as the talks were private, said the government was considering mandating that importers seek a licence from the authorities, replacing the existing free-import regime.



Towfika Aftab, chairperson of the board of directors of Citizens Bank, presided over its first annual general meeting at the bank's head office in Dhaka on Saturday. Masuduzzaman, Mohammed Iqbal, Mohammad Abdul Salam, Chowdhury Mohammed Hanif Shobeb, Shafia Alam, Sk Md Iftekarul Islam, and Rakibul Islam Khan Huq, directors of the bank, and Mohammad Masoom, managing director, were present.

PHOTO: CITIZENS BANK

Rebranded McDonald's

FROM PAGE B4

could provide a test of how successfully Russia's economy can become more self-sufficient and withstand Western sanctions. On Sunday, scores of people queued outside what was once McDonald's flagship restaurant in central Moscow. The outlet sported a new logo -- a stylised burger with two fries -- plus a

slogan reading: "The name changes, love stays".

The queue was significantly smaller than the thousands of people who thronged to the original McDonald's opening there in 1990 during the Soviet era.

Vkusno & tochka's menu was smaller and did not offer the Big Mac and some other burgers. A double

cheeseburger was going for 129 roubles (\$2.31) compared with roughly 160 under McDonald's and a fish burger for 169 roubles, compared with about 190 previously.

The composition of burgers has not changed and the equipment from McDonald's has remained, said Alexander Merkulov, quality manager at the new company.

Cash-strapped Sri Lanka

FROM PAGE B4

Two weeks ago, Sri Lanka received a shipment of Russian crude oil to be refined on the island, but the finished product from the Sapugaskanda refinery was less than a tenth of the country's daily requirement.

Around 90,000 tonnes of Siberian light crude was sent to Sri Lanka's lone refinery after the shipment

was acquired on credit from Dubai-based intermediary Coral Energy last month.

The Sri Lankan government has also approached Moscow's envoy in Colombo to help secure direct supplies of Russian oil, Energy Minister Wijesekera said.

Sri Lanka defaulted on its \$51 billion foreign debt in mid-April and has since opened talks with the

International Monetary Fund for a bailout.

The United Nations has issued an appeal for \$47 million to buy essential food for 1.7 million Sri Lankans in the next four months.

The worst economic crisis since the country gained independence in 1948 has sparked widespread protests calling for President Gotabaya Rajapaksa to step down.

Use monetary policy

FROM PAGE B4

surge in subsidy bills," Mansur said.

The revenue generation target for FY23 has been set at Tk 370,000 crore for the National Board of Revenue (NBR).

This means the tax administration will require its collection to raise by about 28 per cent in FY23, compared with the actual growth rates ranging between 13 per cent and 15 per cent per year.

Revenue shortfall in FY23 will be about Tk 40,000 crore, according to Mansur.

Syed Ershad Ahmed, president of AmCham, said the size of the budget might have been larger.

According to him, the biggest issue is revenue collection. "Since our revenue collection is going down, the budget could not be bigger."

As a result, the government has to borrow from the banking system.

"If there is pressure on banks, it also falls on businesspeople."

It's a big challenge," Ahmed said, calling on the government to accelerate reforms of the revenue

administration to raise more revenue.

The businessman says Bangladesh has a lot of policies but the country can't implement them, so investors do not get benefits.

"If foreign investors are harassed and not given a comfort zone, a red signal goes out of the country," he added.

Planning Minister MA Mannan said the NBR's capacity has to be enhanced to increase revenue collection.

"If the revenue is not increased, all development activities will be stalled."

AB Mirza Md Azizul Islam, a former caretaker government adviser, said although the proposed budget target is acceptable, implementation will be difficult.

He said the allocation for social safety net programmes is very low in proportion to the budget.

"In the wake of the pandemic and Russia-Ukraine war, income inequality in Bangladesh has increased, but there is no roadmap to reducing it in the new budget," Islam added.

Govt mulls framing

FROM PAGE B4

Md Monwarul Islam, director-general of the BAB, said quality assurance in every aspect of the supply chain is inevitable for safe food and services.

"Besides, coordination, cooperation and mutual assistance among the institutions involved in quality infrastructure are

needed," Islam added.

While presenting a keynote paper, Md Imdadul Haque, vice-chancellor of Jagannath University, termed the BAB, which was set up in 2006, as well-equipped. "But we need to strengthen the BAB to make it more competitive in the international market," he said.



Mirza Elias Uddin Ahmed, managing director of Jamuna Bank Ltd, and Altaf Hossain Sheikh, joint secretary for finance and accounts at Bangladesh Bridge Authority, signed an agreement on money management of the toll of Padma Bridge at the latter's headquarters in Dhaka recently.

PHOTO: JAMUNA BANK

Jamuna Bank in charge of money management of Padma Bridge toll

STAR BUSINESS DESK

Jamuna Bank Ltd recently signed an agreement with the Bangladesh Bridge Authority for the money management of the toll to be collected at the Padma Multipurpose Bridge.

Altaf Hossain Sheikh, joint secretary for finance and accounts at the Bridge Authority, and Mirza Elias Uddin Ahmed, managing director of Jamuna Bank, penned the deal at the former's

headquarters in Dhaka, a press release said.

Under the agreement, the bank will be in charge of money management of the toll of Padma Bridge, the largest communications infrastructure in Bangladesh.

Md Monjur Hossain, secretary of the Bridges Department and executive director of the Bridge Authority, and Nur Mohammed, chairman of Jamuna Bank Ltd, were present.



Aziz Al Kaiser, chairman of City Bank, virtually presided over its 39th annual general meeting yesterday. The meeting announced 12.50 per cent cash and 12.50 per cent stock dividends. Hossain Khaled, vice-chairman, Salim Mahmud, independent director, Mashrur Arefin, managing director, and Md Mahburur Rahman, additional managing director, also attended the meeting.

PHOTO: CITY BANK

Stocks tumble despite corporate tax cuts

Lack of new measures to blame, experts say

STAR BUSINESS REPORT

The domestic stock market took a dive yesterday, the first trading session since Finance Minister AHM Mustafa Kamal proposed the national budget for the fiscal year of 2022-23 in parliament on Thursday.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), decreased by 48 points, or 0.72 per cent, to close the day at 6,431.

Similarly, turnover of the Dhaka bourse dropped 16 per cent to Tk 636 crore from the Tk 758 crore registered on Thursday.

"Investors are not happy with the budgetary measures given for the stock market and so, they are reacting negatively," a merchant banker said.

A corporate tax cut of 2.5 percentage points was included in the proposed national plan but it was for both listed and non-listed companies.

Moreover, two conditions were given that companies will have to

offload more than 10 per cent of shares and maintain all income transactions through banking channels in order to enjoy the benefit.

Besides, banks, NBFIs, insurance, tobacco and telecom companies were excluded from the benefit even though there are 113 of these companies that make up one-third of all listed firms.

What is more, the government abolished the opportunity to whiten black money through the stock market.

"So, investors think the market did not get any exclusive measures in the budget," the merchant banker said.

A stockbroker said investors hoped that the government would increase the tax-free dividend income limit up to Tk 50,000 for the next fiscal year.

In addition, the tax gap between listed and non-listed companies should be increased so that more companies are encouraged to go public.

"However, no direct measures for the stock market were given," he added. The DS-30, the blue-chip index,

and the DSES, the Shariah-based index, fell by 17 points and 10 points, respectively.

"The DSE slumped into negative territory as investors took the proposal to withdraw the scope of investing undisclosed income in stocks as an unfriendly measure towards the market," International Leasing Securities said in its daily review.

The change alone prevented investors from injecting new funds into the market. As such, the index began a steep slide from the beginning of the trading session.

However, upward price movements of a few stocks later in the day helped buck the declining trend to some extent, it added. Almost all major sectors posted losses, with paper and printing dropping 2.6 per cent while ceramics fell 0.7 per cent.

Investors were mainly focused on the textile (11.8 per cent), pharmaceuticals (10.7 per cent), miscellaneous (10.5 per cent) and

engineering (9.6 per cent) sectors.

At the DSE, 53 stocks rose, 306 fell and 19 remained unchanged.

Meghna Insurance topped the gainers' list, rising 9.91 per cent, while Dulamia Cotton Spinning Mills, Monno Fabrics, Shinepukur Ceramics, and Shurwid Industries were placed in the top five.

Summit Alliance Port eroded the most, dropping 2 per cent. Renwick Jasneswar & Company, Green Delta Insurance, Nitol Insurance Company, and Janata Insurance were among other companies in the loser tally.

Shinepukur Ceramics became the most traded stock with its shares worth Tk 39 crore changing hands, followed by Beximco Ltd, BDCOM Online, IPDC Finance, and Bangladesh Shipping Corporation.

The Chittagong Stock Exchange (CSE) also fell yesterday as the CASPI, the prime index of the port city bourse, edged down 134 points, or 0.70 per cent, to 18,891.

Ensure simple tax measures Speakers say at ICAB-JBCCI roundtable

STAR BUSINESS REPORT

Simplification of tax administration and proper infrastructure development are needed to attract more foreign direct investment (FDI) to Bangladesh, according to speakers at a roundtable on FDI prospects in view of the proposed national budget for the fiscal year of 2022-2023.

The discussion was jointly organised by the Institute of Chartered Accountants of Bangladesh (ICAB) and the Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) at the InterContinental Dhaka in the capital yesterday.

Addressing the event as chief guest, Japanese Ambassador Ito Naoki said Bangladesh has set a very unique example in terms of economic recovery from the Covid-19 pandemic.

"However, the Russia-Ukraine war has again changed the world's economic situation," he said.

Mentioning that all international rules and regulations should be followed, Naoki said foreign companies in Bangladesh need to renew their work permits after every one to three years, which is not realistic.

"It should be made a one-time issue."

The Japanese ambassador went on to say that ICAB and the JBCCI will continue collaborating to create a congenial business environment in Bangladesh where foreign investors can enjoy more facilities.

"They (ICAB and JBCCI) will come together with specific proposals to the policymakers and very strategic efforts are needed for this purpose," Naoki added.

ICAB President Md Shahadat Hossain said Japan has been continuously supporting Bangladesh for the nation's successful graduation from its status as a least developed country.

Approximately 320 Japanese companies are currently doing business in Bangladesh and the number is expected to rise in the next few years.

Bangladesh aims to bring \$2 billion in FDI in 2022 and \$2.5 billion in 2023, and the ICAB believes that Japanese entrepreneurs will largely contribute to achieving this target, he added.

JBCCI President Asif Chowdhury said appropriate reform measures are needed in the country's tax administration to reduce the bureaucratic tangle and interference in business and investment to attract more investment.

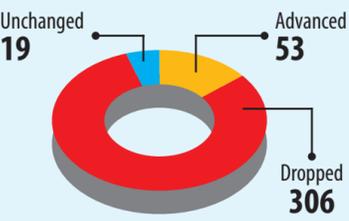
Stressing the need for improving the efficiency of port services, he said customs clearance procedures must be simplified to ensure ease of doing business. He also placed some recommendations regarding privatisation, modernisation of business law and policies for macroeconomic stability.

Highlighting key features of the next budget, ICAB Vice President NKA Mobin demanded simplification of the country's tax administration and proper infrastructure development to attract more FDI.

Yuji Ando, chief country representative of the Japan External Trade Organisation, said VAT registration has been made mandatory for liaison and branch offices of foreign companies from the next fiscal year, which will take more time as entrepreneurs will face difficulty in the VAT registration process.

Share Price Movement on June 12

(number of companies) SOURCE: DSE

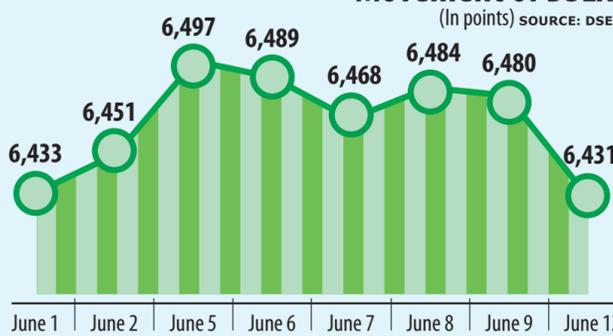


BUDGETARY MEASURES

- Corporate tax cut by 2.5 percentage points on two conditions
- Banks, NBFIs, insurance, tobacco, telecom are out of the benefits
- No scope to whiten black money

Movement of DSEX

(In points) SOURCE: DSE



Govt cuts

FROM PAGE B1

The amount was higher than the government's initial distribution plan of 28.36 lakh tonnes for the current fiscal year, according to finance ministry documents.

AMM Shawkat Ali, a former food adviser to the caretaker government, said the purchasing power of the poor and low-income groups has gone down amid rising inflationary pressure.

"The rice market is volatile. At this moment, the government's food distribution should increase to ensure the food security of the poor," he said, suggesting raising the allocation for public food distribution by 10 per cent from the revised allocation of 32.75 lakh tonnes for FY22.

He said keeping the food budget below the revised budget is not a correct assessment of the situation.

"If the government remains strict to it, it will

definitely be anti-poor." "Allocation should be reviewed and expanded during the coming lean season of September-October. Otherwise, there will be a silent effect of hunger." The government has allocated Tk 14,116 crore for food distribution for FY23, down marginally from the revised allocation for FY22.

M Asaduzzaman, a former research director of the Bangladesh Institute of Development Studies (BIDS), said the allocation for public food distribution should have increased as many people fell into poverty for the coronavirus pandemic and the soaring prices of food for the war in Ukraine.

"Allocation should have been at least equal to the revised budget of the current fiscal year as a caution. The government will not use it if it is not needed."

Quazi Shahabuddin, a

former director-general of the BIDS, said the prices of essentials, including rice, are rising even during the peak harvesting season. "So, the reduction from the revised budget could have been justified had the prices of rice declined. It will have an adverse impact on food security, particularly of the poor."

Md Shakhawat Hossain, director-general of the Directorate General of Food, said the government may increase allocation depending on the situation.

The food directorate has planned to distribute more than 24 lakh tonnes of rice and over 8 lakh tonnes of wheat through various cash and non-cash programmes.

Hossain said his office sought to expand the coverage of the food-friendly programme to 60 lakh households from 50 lakh households. It has also expanded the OMS operation this year, he said.

US, EU divided over LDC

FROM PAGE B1

any reason so that no country faced any food crisis.

"A food crisis, along with economic downturns, is imminent. Small and vulnerable economies are suffering the most," he said in a speech delivered at the conference.

"We urge members not to impose export restrictions on products that are essential for our survival, particularly relevant for our food security, public health and long-term development goals in the LDCs."

The commerce minister said the WTO could not deliver any result to date to respond to the pandemic.

"Some of us could not prioritise the human needs over the profit maximisation. I hope during the upcoming food crisis and economic recession, the WTO shall play its role to ensure certainty and predictability."

Ghosh also said Bangladesh has already demanded the continuation of fishery subsidies for the LDCs as a few million small families of the world make a living off fisheries.

He, however, said if any restriction were to come about, it may be on marine fisheries.

If such a restriction is imposed, Bangladesh might not be affected much as fisheries in Bangladesh were mainly based on land.

Hafizur Rahman, director-general of the WTO cell under the commerce ministry, said Bangladesh is negotiating for the extension of a Trade-Related Aspects of Intellectual Property Rights (TRIPs) up to January 2033.

Following the LDC graduation set for 2026, Bangladesh will be unable to continue enjoying the TRIPs facility and prices of medicine will go up in the domestic market because of the discontinuation of patent rights of generic medicine.

The food crisis and fuel price hike became major issues for negotiations at the conference as many countries have already restricted food export and fuel prices have soared primarily for the pandemic and the Russia-Ukraine war.

Ngozi Okonjo-Iweala, director-general of the WTO, at a press conference, said the food crisis had turned into another challenge for the world because of the Russia-Ukraine war.

On fishery subsidies, the DG hinted that they may reach a conclusion at the end of the four-day negotiation as member countries also want a ban on subsidies on marine fishing.

Regarding other burning issues, Ngozi Okonjo-Iweala strongly urged member countries to be more cohesive in reaching a consensus in giving trade benefits and extending the TRIPs benefits to graduating LDCs and refraining from imposing any sudden ban on food grain exports.

Timur M Suleimenov, first deputy chief of staff of the president of the Republic of Kazakhstan, chaired the conference.

The world needs less uncertainty, he said, regarding the current food crisis. The MC12 is scheduled to come to an end on June 15.



Hassan O Rashid, managing director of Prime Bank, recently unveiled an updated version of MyPrime app at a hotel in Dhaka. Faisal Rahman, additional managing director, and Mohammad Habibur Rahman Chowdhury, ANM Mahfuz, Shams Abdullah Muhaimin and Md Ziaur Rahman, deputy managing directors, were present.

PHOTO: PRIME BANK

Telcos fined Tk 7.65cr

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illegal VoIP equipment, a fine of Tk 5,000 was set to be charged against every SIM, which was later increased to Tk 10,000.

The operators can find out, through their systems and logic, whether SIMs are being used in illegal VoIP activities and they can bar the connections. But the operators have not taken prompt action to bar them.

"We have fined the operators as part of our duty as a regulator since their SIMs were found in the illegal VoIP equipment," Shyam Sunder Sikder, chairman of the BTRC, told The Daily Star.

The highest number of confiscated SIMs, 32,845, was of Teletalk and the operator was initially fined Tk 17.73 crore. Md Shahab Uddin, managing director of Teletalk, said the operator was yet to receive any copy of the letter.

"We had submitted our statement to the BTRC during the hearing. We will appeal once again to the BTRC for the revision after obtaining the commission's letter."

Robi Axiata initially was fined Tk 7.55 crore, which was later slashed to Tk 2 crore. Officials of Robi also said they have not yet received any such letter.

Grameenphone was slapped with a fine of Tk 99 lakh, but the amount was later reduced to Tk 50 lakh. The biggest mobile phone operator did not immediately respond to a request for comments.

Banglalink also did not want to immediately comment on the fine, which was initially set at Tk 33 lakh and later slashed to Tk 15 lakh.

Earlier, Telecom Minister Mustafa Jabbar said illegal VoIP hampers the state's revenue collection and hurts the telecom sector as well.

"So, actions taken against such activities are justified," he told The Daily Star.

Over half

of cyberattacks and data breaches increased by 15.1 per cent from that the previous year.

"This is a matter of grave concern for us. Keeping sensitive business information secure is more important than ever," said Hussain, also the managing director of Brac Bank.

Banks must protect their IT infrastructure — ATM, internet banking, app, debit and credit card systems, phone banking and a host of digital banking platforms — from cyber threats, he said.

More than 200 participants from the banking industry, including managing directors of banks, are participating in the summit.

Ukraine grain exports face bottlenecks

REUTERS, Singapore

Ukraine has established two routes through Poland and Romania to export grain and avert a global food crisis although bottlenecks have slowed the supply chain, Kyiv's deputy foreign minister said on Sunday.

Dmytro Senik said global food security was at risk because Russia's invasion of Ukraine had halted Kyiv's Black Sea grain exports, causing widespread shortages and soaring prices. Ukraine is the world's fourth-largest grain exporter and it says there are some 30 million tonnes of grain stored in Ukrainian-held territory which it is trying to export via road, river and rail.

Ukraine was in talks with Baltic states to add a third corridor for food exports, Senik said.

He did not give details on how much grain has already moved or would be moved through these routes. Ukrainian Deputy Foreign Minister Dmytro Senik speaks to Reuters at the 19th Shangri-La Dialogue, in Singapore. "Those routes are not perfect because it creates certain bottlenecks, but we are doing our best to develop those routes in the meantime," he told Reuters on the sidelines of an Asian security summit in Singapore.

WTO chief warns of rocky road to deals

REUTERS, Geneva

World Trade Organization chief Ngozi Okonjo-Iweala expressed cautious optimism on Sunday that more than 100 trade ministers meeting in Geneva would achieve one or two global deals this week, but warned the path there would be bumpy and rocky.

The director-general from Nigeria said the world had changed since the WTO's last ministerial conference nearly five years ago.

"I wish I could say for better. It has certainly become more complex," she told a news conference before the meeting, listing the lingering Covid-19 pandemic, the war in Ukraine and major food and energy crises as pieces of a "polycrisis".

She urged trade ministers to go the extra mile over the coming days to achieve agreements such as to reduce fishing subsidies, boost access to Covid-19 vaccines, address food security and to set a course for reform of the WTO itself.

"Let me be clear, even landing one or two will not be an easy road. The road will be bumpy and rocky. There may be a landmine along the way," Okonjo-Iweala said, adding she was "cautiously optimistic" that the meeting would conclude with one or two deals.

She also cautioned ministers they should not expect to achieve everything on their countries' wish lists and recognise that compromises are never perfect.

India issues 6m tonnes imported coal tenders

REUTERS, New Delhi

Coal India, the world's largest coal miner by output, has issued two tenders to import 6 million tonnes of coal for utilities in the next 12 months, it said on Friday, as the government seeks to boost fuel availability.

This follows another tender the state-run miner issued on Thursday to import 2.42 million tonnes of coal by the end of September.

Coal India (CIL), which has little experience in importing coal, was asked to place orders for shipments from overseas by the power ministry as utilities suggested multiple tenders would lead to confusion and sought centralised procurement through CIL.



SUGGESTIONS

- Use monetary policy to contain demand
- Leave exchange rate up to the forex market
- BB should only focus on ensuring stability
- Increase revenue collection

GOVT SPENDING IN % OF GDP IN 2020



ECONOMIST'S TAKEAWAYS

- Budget business-friendly
- Changes in tax policy to promote investment
- Higher bank borrowing to crowd out private sector
- No major effort to review extensive subsidy programme

Use monetary policy to contain demand, reduce inflation

Says PRI Executive Director Ahsan H Mansur at AmCham budget discussion

STAR BUSINESS REPORT

The monetary policy must be used as a proper tool to contain demand, reduce inflation, and stabilise the exchange rate in Bangladesh, a noted economist said yesterday.

Ahsan H Mansur, executive director of the Policy Research Institute (PRI) of Bangladesh, a think-tank, said currently, with deposit and lending rates capped, there cannot be any monetary transmission and thus, there is no scope for using the monetary policy for stabilisation purposes.

"Price stability cannot be achieved without the proper use of monetary policy," he said at a post-budget panel discussion at the Sheraton Hotel in Banani, Dhaka. The American Chamber of Commerce in Bangladesh (AmCham) organised the discussion.

In his presentation, Mansur said the economy was passing through a difficult patch due to external sector imbalances and inflationary pressures.

The reduced size of the budget, in relation to GDP, would help reduce domestic demand pressure, although some upfront price adjustments for other products with regulated prices, like the increase in gas prices, would have helped contain demand pressures further.

"The exchange rate should be left with the market and Bangladesh Bank should only focus on ensuring its stability without

interfering with its trend. The interbank foreign exchange market must be allowed to work freely (without interference)."

Speaking about the challenges facing the economy, Mansur said there are challenges but they are manageable.

"What is needed is the application of right policy instruments for the right objectives."

He went on to say that the FY23 budget faces three uncertainties: on the revenue side, on managing the ballooning fiscal subsidy, and managing the financing of the growing fiscal deficit. "Bangladesh's budget size is the smallest of almost all countries. Whether this is a curse or blessing is yet to be determined," Mansur added.

The PRI executive director thinks that Bangladesh requires large government spending to meet the growing needs of the economy.

"But if the resources are not well-spent, economic performance will suffer," he said.

Mansur then raised questions about whether Bangladesh would be able to become an upper-middle-income or high-income country with this kind of small public sector.

Mansur called the budget unveiled for the next fiscal year business-friendly.

"The changes in the tax policy are generally business-friendly and will help promote investment."

He welcomed the reduction in corporate

tax rates and lowering of withholding of value-added tax and income tax at sources associated with business transactions.

The former official of the International Monetary Fund argued that more could be done for the poor to overcome inflationary repression.

"Many of the allowance for the elderly, widowed and others remained at only Tk 500 per month for many years. Some modest increases could have protected their real income in part."

Mansur pointed out that the composition of the budget deficit financing was undergoing a major shift.

From the fiscal year of 2009-10 to 2014-15, external financing was sharply declining and the share of high-cost domestic financing was increasing. Since FY20, the dependence on foreign financing has been increasing.

"This is a positive development given the high cost of domestic financing in Bangladesh and the low foreign debt-to-GDP ratio," he said.

On the domestic financing side, borrowing from the banking system is budgeted to be Tk 106,000 crore against Tk 32,000 crore in FY21.

Higher public borrowing is planned although the money market is already tight. As a result, private sector credit will be crowded out, he added.

According to the economist, the Tk 82,000 crore allocation for subsidies is a soft number and likely to increase further if the international prices for fertilizer, primary energy and food increases or remains high.

"No major effort was made to review the extensive subsidy programme despite the

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Govt mulls framing national quality policy

Says industries minister

STAR BUSINESS REPORT

The government is planning to formulate a national quality policy to ensure the local manufacturing of products at global standards, which will pave the way for Bangladesh to increase exports, Industries Minister Nurul Majid Mahmud Humayun said yesterday.

He said internationally accredited and reliable national accreditation infrastructure was crucial for strengthening the export of local products and services. So, the government had established a quality accreditation infrastructure ecosystem.

"As a part of it, the efficiency of the Bangladesh Accreditation Board (BAB) has been improved a lot and it is now well-equipped to provide the necessary accreditation. The government is also considering formulating a national quality policy," he said.

"Testing labs should be well-equipped with modern technologies so that accreditation is accepted in the world market."

The minister spoke at a seminar at the auditorium of the Dhaka Chamber of Commerce and Industry (DCCI) jointly organised by the BAB and the chamber on the occasion of World Accreditation Day 2022.

The main theme of this year's Accreditation Day is "Accreditation: Sustainability in Economic Growth and the Environment", according to a press release of the DCCI.

Kamal Ahmed Mojumder, state minister for industries, said accreditation is important for the implementation of Sustainable Development Goals.

"But for that, we need to enhance our technological advancement and reliability. The BAB is now an efficient institution but it should be strengthened further."

"As a part of it, the efficiency of the Bangladesh Accreditation Board (BAB) has been improved a lot and it is now well-equipped to provide the necessary accreditation"

Industries Secretary Zakia Sultana emphasised adequate accreditation infrastructure for the sake of export competitiveness.

"Quality accreditation helps us internationally enhance export."

She said due to unplanned industrialisation worldwide and massive economic activities, there is a negative impact on climate and Bangladesh is no exception.

"Under such circumstances, if we are able to comply with the accreditation process for both goods and services, it will help us ensure a better liveable world for the next generation."

"If we can ensure accreditation for our local products, it will expedite export earnings as well as reduce cost and time."

According to Rizwan Rahman, president of the DCCI, quality certificates issued by local labs for export items such as leather, jute and jute goods, plastic, and frozen food should be endorsed by the BAB so that these certifications are accepted by the global authority.

He called for implementing advanced learning in the industrial sector and emphasised strong collaboration with international accreditation and quality assurance agencies to enhance business competitiveness.

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Cash-strapped Sri Lanka announces weekly fuel quotas

AFP, Colombo

Crisis-hit Sri Lanka announced weekly fuel quotas for motorists on Sunday, as an acute shortage worsened and longer queues formed outside the few pumping stations still operating.

Energy minister Kanchana Wijesekera said the state-run Ceylon Petroleum Corporation was struggling to finance oil imports, while consumption had shot up due to shortages of electricity and liquefied petroleum gas.

"We have no choice but to register consumers at filling stations and give them a guaranteed weekly quota until we are able to strengthen the financial situation," the minister said.

"I hope to have this system in place by the first week of July." He did not say how much fuel motorists will be allowed to buy under the new system.

Sri Lanka has been struggling with its worst economic crisis in decades, with the country unable to import basic necessities such as food, fuel and medication due to a lack of foreign exchange reserves.

In mid-April, the government ordered all fuel stations not to pump more than four litres of petrol for a motorcycle, five for a three-wheeler and 19.5 litres of gasoline or diesel for cars and SUVs.

Under that system, many motorists would top up, drain fuel into cans to build a buffer stock, and then return to the queue for more.

This week, queues at fuel stations had become longer, with hundreds of cars and thousands of motorcycles waiting in line, sometimes for days.

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People visit the new restaurant "Vkusno & tochka", which opens following McDonald's exit from the Russian market, in Moscow yesterday.

PHOTO: REUTERS

Rebranded McDonald's restaurants open in Russia

REUTERS

It might look and smell like McDonald's but now it's Vkusno & tochka. The golden arches are gone, the filet-of-fish is simply a fish burger. The Big Mac has left Russia.

A new era for Russia's fast-food and economic scene dawned on Sunday as McDonald's restaurants flung open their doors in Moscow under new Russian ownership and with the new name, which translates as "Tasty and that's it".

The rebranding of the outlets, three decades after the US burger giant first opened in Moscow in a symbolic thaw between East and West, is once again a stark sign of a new world order.

The fortunes of the revamped chain, which McDonald's sold when it exited the country over the conflict in Ukraine, could provide a test of

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