

# Star BUSINESS

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Visitor turnout at the month-long Chattogram International Trade Fair on Railway Pologround in the port city is yet to meet expectations in spite of the event being halfway through. Traders there promoting domestic products at home and abroad have kept their hopes pinned on the days left. The fair has been organised by the Chittagong Chamber of Commerce and Industry. The photo was taken on Monday.

PHOTO: RAJIB RATHAN

## Govt to miss ADP target again

But implementation pace rises

REJAUL KARIM BYRON

The pace of implementation of development schemes of the government hit a three-year high in May of the outgoing fiscal year with Jatiya Sangsad secretariat topping the list while the Finance Division sits at the bottom.

Public agencies executed development projects involving Tk 142,387 crore in the July-May period of fiscal 2021-22, up 17 per cent year-on-year, according to data from the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry.

Including May, the overall implementation rate of the annual development programme (ADP) was 65.5 per cent of the total revised allocation of Tk 217,175 crore for the current fiscal.

Despite the spike, the government is once again likely to fail to execute all of its

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development initiatives by the end of the fiscal year. It would be the 32nd year that government agencies have failed to implement the revised ADP, the implementation of which is measured by expenditure.

The last time the government could spend more than its revised ADP was in fiscal year 1989-90, according to the Bangladesh Economic Review 2022 published by the Finance Division this month.

However, Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said the implementation rate might improve this year given how much has been achieved so far.

"Historically, the pace of implementation jumps in June. The trend looks better this year and it appears the rate of fund disbursement has been good because of increased revenue collection," he said.

Citing the ADP's implementation rate in June of the previous fiscal year, Moazzem said even if that rate of execution takes place this time

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# RAK Ceramics to invest Tk 902cr to build tiles factory

STAR BUSINESS REPORT

RAK Ceramics, a listed multinational ceramic tiles and sanitaryware maker, is set to invest Tk 902 crore for setting up a new tiles factory in Gazipur to deliver value-added products to local customers.

To sit on around 100 bighas of land, the new setup is expected to begin commercial operations in 2025, according to the company's top brass.

This will raise its daily tiles production capacity by an estimated 15,000 square metres, taking the annual production capacity to 15.50 million square metres.

The company's current annual production capacity is 10.32 million square metres of tiles and 1.45 million pieces of sanitaryware.

Now enjoying zero debt, the company is yet to decide on its source of investment. A portion may come from bank loans and some from its own funds.

RAK Ceramics has retained earnings worth Tk 174 crore,

according to its annual report for 2021.

Despite the pandemic and global economic pressure, the factory is being planned for growing demand observed both in rural and urban areas, said Chief Operating Officer and Chief Financial Officer Sadhan Kumar Dey.

At present, 60 per cent of its products are sold in urban markets while the rest in rural markets.

The new plant will add around 1,500 new jobs and average profits of Tk 90 crore in 10 years, so shareholders are surely to benefit.

Some 72.08 per cent of shares are held by sponsors, 16.57 per cent by institutional investors and 11.35 per cent by general investors, according to the Dhaka Stock Exchange (DSE) data.

The main objective is to take full advantage of growing construction activities in the country, Dey said, adding, "Bangladesh has a huge potential so we are increasing

our production capacity."

New machinery will be brought from Italy and Spain and increased production of high-value added tiles is expected to reduce dependence on imports.

Responding to a question, Dey said RAK Ceramics' products were the same, be it those marketed at home or abroad, in spite of the fact that people of the two geographical regions have different

accounts for around 16.5 per cent of market sales in terms of value but around 6 per cent in terms of product volume, according to the company.

Muhammad Shahidul Islam, company secretary, said the construction sector was growing day by day, having a ripple effect on the demand for tiles and sanitaryware.

As per capita income is rising, demand for the products is also rising.

RAK Ceramics has a lot of experience in the local and international markets, so it will continue to grab even more of the market share in the future, he said.

Sales of the company rose 29.53 per cent to Tk 685 crore, mainly from ceramic products, according to its yearly financial report.

Its profits skyrocketed 191 per cent to Tk 90.5 crore last year, the data shows.

Responding to a question, he said gas shortages sometimes disrupt production but it

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However, demand is inelastic when it comes to imported tiles, at least for a portion of consumers, for which some imports will continue to be made.

The raw materials for making tiles have to be imported, which eats away competitive advantages in exports, he told a press briefing at The Westin Dhaka yesterday.

For instance, the practice in European countries is to avoid having shiny tiles on floors for the slipping hazard that it poses but in Bangladesh it was the complete opposite.

The company is trying to raise awareness on the use of anti-skid tiles on indoor floors considering the hazard, he said. At present, the company

## Savers brace for hassles

Return filing proof must for over Tk 10 lakh deposit

SOHEL PARVEZ

Until the current fiscal year, a bank account-holder requires paying a 10 per cent withholding tax on the interest earnings on deposits if the individual furnishes banks with the taxpayer identification number (TIN).

Any failure is subject to a 15 per cent deduction on the interest income.

But from the next fiscal year starting on July 1, the account-holder with more than Tk 10 lakh credit balance will have to show the proof of submission of income tax returns to be eligible for the reduced rate.

If the person fails to comply with the rules, the rate of deduction will be 50 per cent higher, according to the tax-related rules proposed by the National Board of Revenue (NBR) for FY23.

The same rule will apply to the people who want to open a savings account of over Tk 5 lakh at post offices or buy savings certificates worth more than Tk 5 lakh. The proof of returns could be an acknowledgement receipt of tax returns, a certificate generated from the online submission of returns, or the tax payment certificate issued by the field offices of tax.

Once the new measure comes into effect, holders of more than 16 lakh bank accounts as well as thousands of holders of savings certificates and accounts in post offices will have to submit the proof of tax return filing.

These accounts had Tk 10,48,047 crore as deposits as of December 31, data from the Bangladesh Bank showed.

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### TOTAL ACCOUNTS AND DEPOSITS IN BANKS

(As of Dec 31, 2022)

- Total deposit accounts: 12.48cr
- Savings accounts: 10.19cr
- Fixed deposit accounts: 47.63 lakh

**TOTAL DEPOSIT: TK 1,512,472cr**

SOURCE: BB

### DEPOSIT ACCOUNT HOLDERS WHO NEED TO SUBMIT PROOF OF RETURN

Number of accounts with over Tk 10 lakh deposits: **16.32 lakh**

Amount of deposit: **Tk 1,048,047cr**

Tax on interest earnings: **10%** for submission of proof of return

### SHARE OF DEPOSIT BY TYPES OF ACCOUNTS

Accounts with up to Tk 10 lakh deposits: **31%**

Accounts with over Tk 10 lakh deposits: **69%**

As of Dec 31, 2021  
SOURCE: BB

### ACCOUNT HOLDERS WHO DON'T NEED TO SUBMIT PROOF OF RETURN

Number of accounts with up to Tk 10 lakh deposits: **12.32cr**

Amount of deposit: **Tk 464,425cr**

Tax on interest earnings: **10%** for submission of TIN

**15%** for non-submission of TIN

## ADB gives \$250m to boost social protection

STAR BUSINESS REPORT

The government yesterday signed an agreement with the Asian Development Bank (ADB) for a \$250 million policy-based loan to further improve the social protection system in Bangladesh for supporting the vulnerable population against socioeconomic challenges.

The programme aims to accelerate reforms in increasing the coverage and efficiency of social protection measures, improve the financial inclusion of disadvantaged people, and strengthen the response to diversified protection needs.

The loan is the second subprogramme of the Strengthening of Social Resilience Programme (SSRP) approved in 2021, which helped implement institutional and policy reforms that strengthened the inclusiveness and

READ MORE ON B3

## RFL dealer conference held in Thailand

STAR BUSINESS DESK

RFL Group organised a conference in Thailand recently for top dealers of brands Good Luck Stationery, Winner Hotpot, Clean Cleaning Brush, Mother Touch Baby Feeding, Sunny Toothbrush, TEL Plastics, Rainbow Paints, Italiano Melamine and Getwell Medical Appliances.

RN Paul, managing director of RFL Group, inaugurated the conference at a Bangkok hotel, said a press release.

## Energy crisis grips Australia

AFP, Sydney

Australians have been warned to expect blackouts across the densely populated east coast on Tuesday, as an energy crisis grips one of the world's biggest coal and gas producers.

The Australian Energy Market Operator warned there could be significant power shortfalls in the states of Queensland and New South Wales, which are home to more than 13 million people.

It also issued notices for a forecast of reserve shortfalls in the states of Victoria, South Australia and Tasmania.

Newly elected Prime Minister Anthony Albanese blamed the energy crisis on the previous government, which was in power for nearly a decade.

"The consequences of the former government's failure to put in place an energy policy is being felt right now," he told reporters in Brisbane.

Albanese said "all things are on the table" as his government examines how to ease the crisis, which has dominated his centre-left government's first weeks in power.



Limes brought for sale at Atghar Kuriata Bazar in Pirojpur's Nesarabad upazila where a market for agricultural produce sits every Monday and Friday. Farmers can sell 80 pieces for Tk 100 to Tk 130 when limes are in season from the Bangla month Baishakh to Shraban (mid-April to mid-May). A day's sale of limes in the market can reach anywhere from Tk 1 lakh to up to Tk 1.5 lakh. The photo was taken last week.

PHOTO: TITU DAS

# UK jobs market loses some of its inflation heat

REUTERS, London

Britain's jobless rate rose for the first time since late 2020 and other measures of the country's hot labour market cooled, potentially easing inflation worries at the Bank of England which is due to raise rates again this week.

With surging inflation weighing on the economy's recovery from the Covid-19 pandemic, official data showed the jobless rate edged up to 3.8 per cent in the three months to April from 3.7 per cent in the previous labour market report for the three months to March.

The increase was the first since the last three months of 2020. Economists polled by Reuters had expected the unemployment rate to fall to 3.6 per cent.

The rise partly reflected a drop in the economic inactivity rate for working-age adults, which measures people who have dropped out of the labour market altogether and therefore had not shown up as unemployed. It fell by 0.1 percentage points to 21.3 per cent for the February to April period, driven mostly by students seeking work.

"We may be nearing a turning point for the labour market as creeping uncertainty results in employers taking their foot off the accelerator," Jack Kennedy, an economist at recruitment website Indeed, said.

Although growth in vacancies slowed, they hit a new record high and the fall in the inactivity rate still left it well above pre-pandemic levels, meaning the jobs market remained extremely tight, Kennedy said.

Sterling slipped against the dollar after the data and shorter-maturity British government bond yields eased off recent multi-year highs as investors dialled back their expectations for how much higher the BoE is likely to raise borrowing costs.

The British central bank is expected to raise interest rates again on Thursday as it tries to stop the recent jump in inflation from turning into a longer-term problem if employers' resort to increasing their pay sharply to fill vacancies.

Data on Monday showed Britain's economy unexpectedly shrank in April, adding to fears of a sharp slowdown.

A further 177,000 people were employed in the three months to April compared with

the previous three-month period, more than the median forecast for a 105,000 increase in the Reuters poll, while the number of unemployed fell by 47,000.

In April alone employment fell by 254,000 and the jobless rate jumped to 4.2 per cent from 3.5 per cent in March, although single-month figures can be volatile as a measure of the economy.

Tuesday's data showed growth in regular pay picked up slightly to 4.2 per cent in the three months to April, despite expectations that it would slow. But growth in total pay, including bonuses, slowed to 6.8 per cent from 7.0 per cent.

Many employers have resorted to one-off incentives to attract and retain staff.

Despite the relatively high levels of pay growth, incomes of workers are being eroded by the recent leap in inflation caused by the reopening of the global economy after the coronavirus pandemic and Russia's invasion of Ukraine. Using Britain's consumer prices index, real-terms total pay was 0.5 per cent lower than a year before, the biggest drop since August 2020 when many workers were on reduced furlough pay.

## 'Uttoron to create skilled welders in Khulna Shipyard'

STAR BUSINESS DESK

Bangladesh's productivity has increased but the country is still struggling for a lack of skilled labour force, said Dulal Krishna Saha, executive chairman of National Skills Development Authority.

"If we can teach skills to the youth, they will contribute to the country's growth," he said during a visit to Khulna Shipyard recently for an understanding of an "Uttoron - Skills for better life" project.

The three-year project is currently being implemented by Swisscontact-Swiss Foundation for Technical Cooperation in Sylhet, Dhaka and Khulna divisions with funding from Chevron.

An advanced welding training programme is being run under the project in Khulna Shipyard. Some 24 trainees of the first batch received their training completion certificates recently from testing, inspection and certification company Bureau Veritas.

"This training will help the youth be skilled and contribute to the economy," said Saha.

He was accompanied by Muhammad Imrul Kabir, director for corporate affairs at Chevron Bangladesh, while M Shamsul Aziz, managing director of Khulna Shipyard, was present, said a press release.

## Turkey laying Black Sea gas pipeline

AFP, Istanbul

Turkey's president hailed on Monday the start of the construction of an underwater pipeline to tap a Black Sea natural gas field that the government hopes will help wean the country off its dependence on energy imports.

President Recep Tayyip Erdogan watched via video link as the first pipeline section was laid and connected to the seabed from the port of Filyos, around 400 kilometres (250 miles) east of Istanbul on the Black Sea coast.

He said the Sakarya gas field could produce 10 million cubic metres (353 million cubic feet) by the first quarter of 2023.

The Sakarya gas field, 170 kilometres out to sea, was discovered in August 2020.

At the time, Erdogan described it as "the largest natural gas field in Turkey's history", citing estimated reserves of 320 billion cubic metres.

"The Sakarya field will hopefully reach its peak production in 2026," Erdogan said on Monday.

"We will continue our efforts until we can fully ensure our energy security," he added.

Turkey is still highly dependent on imports to cover its energy needs and is paying a high price, especially following Russia's invasion of Ukraine.

Last year 45 per cent of the gas used in Turkey came from Russia, and the rest from Iran and Azerbaijan.

Inflation in the country is running at 73.5 per cent, a rate not seen since 1998, and the currency is in free fall - making the cost of living hard to bear for most Turks.

## Unlocking the power

FROM PAGE B4

been human-intensive, making them inefficient. Operations ranging from disbursements to repayment collections remain dependent on physical cash. Client information continues to be captured through paper-based forms; monitoring, assessment, and training continue to be conducted through physical visits and meetings.

The solution to this? Digital transformation.

Driven by the government's objective to build an inclusive digital financial ecosystem and the emergence of numerous interesting pilot projects, it has become essential for the micro-finance sector to adopt increased and disruptive digitalisation.

The current state of digitalisation in Bangladesh's micro-finance sector remains nascent. Most MFIs have migrated to a real-time loan management system and centralised database (which provides a foundation for future automation).

Generally, MFIs have financial accounting software integrated with their loan management systems. A few leading MFIs rolled out pilot projects for cashless loan disbursements and collection repayments via mobile wallets during the pandemic. Given the success of and need for MFIs, the adoption of more advanced technologies may not be too far off.

Digital interfaces offer solutions, slash costs, and increase efficiency, and remove human contact

from the equation. What the MFIs have, and what technology cannot replicate is their connection with customers.

Technology can enable automation, productivity, and standardisation in lending and administrative operations, but the nuanced and contextual insights that come from face-to-face interaction are crucial, especially for group-based lending.

Blockchain, cloud infrastructure, big data, and the likes are only as valuable as the value they bring to beneficiaries. MFIs need to balance digital and human aspects.

In today's world, the convergence of technology and data creates unique circumstances. New sources of data can boost access to finance and benefit previously unbanked populations.

Usage and recharge data for mobile phones or even mobile wallets can be leveraged to create credit scores. As a result, personal data protection, data governance, and cybersecurity will become increasingly relevant and necessary.

Developments in the fintech (financial technology) sphere and current regulatory frameworks have created the perfect atmosphere for the introduction of a new generation of financial firms. Nimble and customer-centric, these firms will operate in spaces occupied by large financial institutions, in addition to spaces that aim to reach the unbanked and underbanked and they will do so profitably.

In a country that has proven to be a hotbed for inclusive financial innovation, these firms will join the fight against poverty. Each sector of the financial services industry will be impacted by these firms in the not-too-distant future. To keep up, MFIs will need to address these forces of disruption by becoming disruptive themselves.

The task ahead is to foster an ecosystem that fully captures the opportunities being unleashed across industries.

The Microcredit Regulatory Authority (MRA) is responsible for promoting the sustainable development of MFIs. With a conducive regulatory system, digital financial inclusion ecosystems can thrive.

The potential of digital financial inclusion in enhancing economic growth, narrowing income inequalities, and reducing poverty is immense. By building a collaborative ecosystem and fostering innovation, we can lead transformation across this vital sector and drive sustainable and inclusive development.

Ultimately, in order to enable successful digital transformation, innovation and technology will need to blend with the core values, human capital, systems, and processes that define MFIs and the important work that they do.

The author is head of client coverage, corporate, commercial and institutional banking at Standard Chartered Bangladesh

## EU turns to Israel

FROM PAGE B4

March on establishing the legal framework to enable more Israeli gas exports to Europe via Egypt.

Another option would be the EastMed project, a proposal for a seafloor pipeline linking Israel to Greece and Italy via Cyprus.

But US President Joe Biden's administration has questioned the viability of the project, given its huge cost and the time it would take to complete.

Speaking alongside Israeli Prime Minister Naftali Bennett in Jerusalem, Draghi said Italy and Israel were "working together on the use of gas resources from the eastern Mediterranean and for the development of renewable energy".

"We want to reduce our dependence on Russian gas, and accelerate the energy transition towards the climate goals we have set ourselves," Draghi added.

Bennett described Europe's need for alternative gas supplies as "good news." An Israel-Turkey pipeline project, estimated to require three years and \$1.5 billion, is another option to get Israeli

gas to European markets.

Bennett directed fresh criticism at Israel's northern neighbour, Lebanon, with which it remains technically at war.

The two countries have a long-running maritime border dispute and Washington has been brokering talks aimed at demarcating a border and allowing both sides to ramp up exploration.

Lebanon had backed away from the talks, but Israel has urged Beirut to re-engage.

"I look forward to the day Lebanon will decide to take advantage of the natural gas in its economic water," said Bennett.

"It's a shame that Lebanon's leadership, instead of extracting gas for its people, is busy fighting internally and externally," he added.

Israel is estimated to have gas reserves of at least one trillion cubic metres, with domestic use over the next three decades expected to total no more than 300 billion.

Von der Leyen was due to hold talks with Bennett later Tuesday, before travelling on to Egypt.

## Global oil demand growth to slow

FROM PAGE B4

Opec supply policy might develop.

An Opec delegate and another source familiar with Opec thinking said they expected world demand growth of 2 million barrels per day (bpd) or less in 2023, a rise of just 2 per cent, compared with growth of 3.36 million bpd expected in 2022.

"Even if it is only 1 million bpd, that is still growth and not a peak," the delegate said of the outlook for next year. Opec is expected to publish its first demand forecast for 2023 in its monthly report on July 12, an Opec source said.

The IEA, which advises Western governments on energy policy, will give its first 2023 demand forecast



Selim RF Hussain, chairman of the Association of Banks, Bangladesh (ABB), presents a bouquet to Fazole Kabir, governor of Bangladesh Bank, at an ABB Cyber Security Summit at Pan Pacific Sonargaon Dhaka in the capital on Sunday. The association's members and bank managing directors and chief executive officers were present.

PHOTO: BRAC BANK



Md Nurul Afser, deputy managing director of Electro Mart, inaugurated a sales and display centre in Khulna city recently. Md Nurul Azim Sunny, director, and Md Julhak Hossain, senior manager for retail sales, were present.

PHOTO: ELECTRO MART

United States, citing recent gasoline demand data.

A senior industry source at a trading firm, not affiliated to the IEA or Opec, also said he expected lower demand growth in 2023, saying his initial estimates pointed to demand growing by 2 million bpd or less, down from 2.6 million bpd growth in 2022.

"Crude at \$120 a barrel is causing demand destruction," he said. "It is already happening."

Oil demand forecasters often have to make sizeable revisions given changes in the economic outlook and geopolitical uncertainties, which this year included Russia's invasion of Ukraine and recent Chinese coronavirus lockdowns.



Though primarily attuned to winter, red spinach can be cultivated in other seasons on condition that the soil's water content is no more than the optimum level. The leaves are a good source of vitamins C and A, iron and other essential minerals, besides being low in calories. Some 61,096 tonnes were produced in the country on 30,604 acres of land in fiscal year 2019-20, according to the Bangladesh Bureau of Statistics. The photo was taken in Shajapur area of Bogura's Shahjahanpur upazila recently. PHOTO: MOSTAFA SHABUJ

# Stocks extend losses

Lower-than-expected budgetary measures to blame

## STAR BUSINESS REPORT

Most shares on the stock markets in Bangladesh ended in the red yesterday, continuing the downward trend for the last several days, largely for lower-than-expected budgetary measures favourable to investors and the gloomy market sentiment.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), fell for the fourth consecutive day as it lost 30 points, or 0.47 per cent, to end at 6,361.

The DSES Index, which comprises the Shariah-based listed companies, was down 0.51 per cent at 1,387.67 and the DS30 Index, which represents the best-performing shares, fell 0.69 per cent to 2,300.91.

Turnover, an important indicator of the market, stood at Tk 874 crore, up 9.52 per cent from Tk 798 crore a session ago.

Losers took a strong lead over the gainers as out of 382 issues traded, 236 declined, 89 advanced and 57 showed no price movement.

The lacklustre closure of the key index means that the DSEX stretched the continuing stagnant condition of the market, said International Leasing Securities Ltd in its daily market review.

Like the previous session, the trading on the DSE started with a slightly positive note but price corrections in particular stocks pushed the index into the red zone.

Among the sectors, ceramic and textile gained, while travel, leisure, tannery, jute, IT and financial institution took the highest shock.

One of the explanations for the continuous fall of the key index could be that although the corporate tax has been cut by 2.5 percentage points for the listed companies in the proposed budget for the next fiscal year, it might not be easy for them to avail.

In order to qualify for the benefit, all incomes have to be maintained through banking channels alongside expenditures and investments of more than Tk 12 lakh.

Besides, banks, non-banking financial

institutions, insurance, tobacco and telecom companies that make up more than 60 per cent of the DSE's total market capitalisation will not get the benefit as the corporate rate for them has been kept unchanged.

**The DSEX, the benchmark index of the Dhaka Stock Exchange, fell for the fourth consecutive day to end at 6,361, but turnover stood at Tk 874 crore, up 9.52 per cent from the previous session**

Among the individual companies, Shinepukur Ceramics topped the gainers' list, rising 9.98 per cent.

Miracle Industries, Monno Fabrics, Meghna Insurance, Khan Brothers PP Woven Bag Industries, JMI Hospital Requisite Manufacturing, Nahee Aluminum Composite Panel, and S Alam Cold Rolled Steels gained between

8 per cent and 9.7 per cent.

One Bank was the worst-performing stock on the day, shedding 5.31 per cent.

Indo-Bangla Pharmaceuticals, Apex Tannery, Renwick Jaineswar, Zeal Bangla Sugar Mills, Al-Arafah Islami Bank, Gemini Sea Food and Paramount Insurance Company suffered significant losses.

Shinepukur Ceramics was the most-traded stock on the day, with its shares worth Tk 70.68 crore changing hands. Other companies that saw higher turnover included JMI Hospital, Anwar Galvanizing, Bangladesh Export Import Company, Monno Fabrics and Provati Insurance.

The Chittagong Stock Exchange also fell on the day.

The CASPI, the prime index of the bourse in the port city, gave up 78 points, or 0.41 per cent, to close at 18,710.

Of the issues transacted, 84 gained, 169 lost, and 39 were unchanged.

Turnover rose 27.88 per cent to Tk 555 crore. It was Tk 434 crore a session earlier.

# Sunsilk brings new range of shampoos

## STAR BUSINESS REPORT

Unilever Bangladesh's haircare brand Sunsilk recently introduced a new range of shampoos with an active mix of natural ingredients as it looks to expand its dominance in the country's Tk 1,000 crore shampoo market.

As part of its efforts to bring better and newer innovations, Sunsilk wants to give a more superior experience for women.

The new range of Sunsilk shampoos will offer three types of haircare solutions – shiny black hair, thick and long hair, and hair fall solution.

For shiny black hair, Sunsilk Black Shine contains amla, pearl protein, and vitamin E. For thick and long hair, Sunsilk engrafs keratin, yogurt, and coconut oil in it.

Sunsilk will also have another shampoo with soy protein, almonds, and vitamin E to tackle hair loss in the hair fall solution pack.

"Sunsilk believes in opening up possibilities for girls everywhere by allowing them to explore the opportunities thriving beyond conventions and limitations," said Alzal Hasan Khan, director for beauty and personal care at Unilever Bangladesh.

"Sunsilk cares about hair that looks and feels right in every moment, and it keeps innovating products for consumers, which has made the company the most beloved haircare brand in Bangladesh," he added.

**"Sunsilk keeps innovating products for consumers, which has made the company the most beloved haircare brand in Bangladesh."**

# OnePlus launches Nord 2T in Bangladesh

## STAR BUSINESS DESK

International smartphone brand OnePlus has launched the "Nord 2T" model in Bangladesh to tap the potential of fifth generation (5G) networks in the country.

Shawn Young, an official of OnePlus, inaugurated the brand new product at the company's local head office in Dhaka recently, according to a press release.

Contrivance is the official distributor of OnePlus in Bangladesh.

Terming Bangladesh as a potential market, Shawn said they will take OnePlus mobiles to the next level in the country.

"Tech adaptation among young generations will boost the economy towards a digital future," he added.

KM Ahmed Deedat, founder of Contrivance Distributions, Yadir Alam, chief executive officer of Contrivance Distributions, were present on the occasion.

# Savers brace for hassles

## FROM PAGE B1

Analysts say the new rule will increase hassle for the account-holders and savers, including those who don't have taxable income, and may even discourage people to keep money in banks.

A senior official of the NBR said the tax authority seeks to introduce the new rule as it found that only 26 lakh TIN holders submit tax returns regularly although the number of registered taxpayers is 75 lakh.

The government aims to increase the number of TIN holders to one crore in order to raise the tax-to-GDP ratio. Bangladesh has one of the lowest ratios in the world although the number of people belonging to the middle class and above is about four crore.

Many people who have more than Tk 10

lakh in banks or Tk 5 lakh as an investment in state-sponsored savings instruments and deposits in postal savings accounts have taxable income. This is why the tax authority has tightened the rule, said the NBR official.

In order to give relief to marginal taxpayers, the NBR has exempted investments below Tk 5 lakh in savings certificates from paying the tax on interest earnings.

Individual taxpayers will be able to get the acknowledgement receipt if they submit tax returns online. In such cases, they will not need to visit tax offices to file returns and get the receipt.

Pensioners live off the interest earnings of their savings and they don't have taxable income. But if they face a higher tax rate on their earnings, their disposable income would

decline.

Syed Md Aminul Karim, a former member of tax policy of the NBR, said the new rule would increase hassle for the people who do not have taxable incomes.

There are many people who have not bought savings certificates or entered into businesses even after obtaining TINs for the purposes, he said.

"There are many homemakers who do not have taxable incomes. Their cost, both in terms of time and money, for compliance will increase," he said, suggesting that the tax authority open a dedicated cell at field offices in order to provide services so that people can comply.

Alamgir Hossain, another former member for tax policy of the revenue board, suggested the NBR reconsider the provision, especially for the individuals who don't have

any taxable income.

Snehasish Barua, a partner of Snehasish Mahmud & Co, a chartered accountancy firm, said the proof of return contains some personal information of a taxpayer and many taxpayers may feel discouraged to disclose them as confidentiality will be breached.

"Currently, many bank account-holders don't have any TIN. As such, they don't file income tax returns," Barua suggested increasing the limit of bank credit balance and starting initially with an electronic TIN and then asking for the proof of return.

He recommended the government develop an automated system or an app so that banks can examine the acknowledgement receipt through the platform.

"This will ease the process."

# Govt to miss ADP target

## FROM PAGE B1

around, an overall 88 per cent of the revised budget would be implemented this year.

"It might be higher than that too," he added.

In terms of implementation, Jatiya Sangsad secretariat topped the list of 58 government divisions and ministries followed by the Legislative and Parliamentary Affairs Division, Information and Communication Technology (ICT) Division, Energy and Mineral Resources Division, and Ministry of Industries.

Although the allocation for Jatiya Sangsad secretariat and Legislative and Parliamentary Affairs Division was low, implementation rate of the two was 100 per cent and 98 per cent respectively.

The ICT Division could spend 93 per cent of total allocation of Tk 1,305 crore in the 10 months since July last year while the Energy and Mineral Resources Division implemented 99 per cent of its Tk 3,116 crore allocation during the same period.

With a Tk 380 crore allocation under the ADP for the current fiscal year, the Finance Division could spend only 5 per cent of the total in the July-May period of the fiscal year.

The Bangladesh Public Service Commission, Ministry of Foreign Affairs and Ministry of Youth and Sports were the other agencies with very low implementation rates, according to IMED data.

# India's wholesale prices hit 30-year high

## REUTERS, New Delhi

High global energy and raw material prices combined with a weak rupee fueled the fastest annual rise in India's wholesale prices in more than 30 years, raising expectations for the central bank to order more interest rate hikes.

A surge in crude oil and commodity prices since Russia invaded Ukraine in February has set inflation alight in many countries, forcing central banks to raise interest rates.

Wholesale prices, akin to producer prices, climbed 15.88 per cent in May from year ago levels, staying in double-digits for a 14th straight month, and was, according to economists, India's highest since September 1991.

A Reuters poll of analysts had forecast a rise of 15.10 per cent.

The high rate was primarily due to rising prices for crude petroleum and natural gas, food items, basic metals and chemical products, the Ministry of Commerce and Industry said in a statement on Tuesday.

Prices for manufactured products, contributing around 64 per cent to the wholesale price index (WPI), rose 10.11 per cent, compared to 10.85 per cent in the previous month, while fuel and power costs increased 40.62 per cent from a year ago period.

On Monday, India reported retail prices had risen 7.04 per cent in May from year ago levels, moderating slightly from the eight-year high of 7.79 per cent posted in April.

The dismal reports for the two main measures of inflation led economists to expect the Reserve Bank of India (RBI) to raise key interest rates at its next policy meeting in August.

Aditi Nayar, economist at ICRA, the Indian arm of Moody's credit rating agency, said WPI inflation was likely to stay between 15 per cent -16 per cent in June, largely as a result of soaring global crude oil prices. And she predicted a response from the RBI.

"We continue to expect 60 basis points of repo hikes over the next two policy reviews," Nayar said.

# ADB gives \$250m

## FROM PAGE B1

responsiveness of social protection in Bangladesh.

Fatima Yasmin, secretary of the Economic Relations Division, and Edimon Ginting, country director of the ADB, signed the agreement through a virtual programme.

"The ADB remains committed to helping Bangladesh accelerate its socioeconomic recovery and assist the government to promote an integrated social protection programme," Ginting said.

"The integrated social protection programme

will improve social safety net management, deepen financial inclusion, address needs based on demographic, geographical, age, gender, and other diversities and widen the coverage and efficiency of social protection," he added.

The reforms supported under the programme will help improve efficiency by digitalisation and integration of systems as well as harmonisation of the government's social protection programmes, the ADB said in a statement. Greater financial

inclusion of the disadvantaged will be broadened by improving the usability of mobile financial services through the quick response (QR) code payment services, particularly in rural areas.

The programme also supports a contributory protection scheme by focusing on an employment injury scheme.

The reforms will help Bangladesh bring at least 80 per cent of social protection programmes with cash-based benefits under a standardised and integrated management

system with connection to the G2P platform by June 2023.

At least 60 per cent of the cash-based social protection benefits will be delivered to disadvantaged women, and social protection programme fragmentation will be reduced in three ministries.

In addition, at least 50 mobile clinics will start operating in 10 city corporations while at least one social insurance scheme (contribution-based protection scheme) will be initiated on a pilot basis by 2023.

# RAK Ceramics to invest

## FROM PAGE B1

was nothing new and every competitor faces the same problem.

Established in 1998, the UAE-Bangladesh joint venture company started commercial operations in 2000 and raised funds from the stock market in 2010. Its paid-up capital was Tk 427 crore.

The ceramic sector's potentials have lured in big conglomerates like Akij and DBL Group in recent years.

Currently, there are over 60 ceramics factories in Bangladesh and over a dozen are in the pipeline, according to

of services.

This includes providing security guards, managing facilities through cleaning,

pest control, fumigation and fire safety services and setting up technical training institutes for developing skilled manpower for various fields, including construction.

The ceramic sector's potentials have lured in big conglomerates like Akij and DBL Group in recent years.

Currently, there are over 60 ceramics factories in Bangladesh and over a dozen are in the pipeline, according to

the Bangladesh Ceramic Manufacturers Association (BCMEA).

Of the products, over 25 crore pieces of tableware, nearly 20 crore square metres of tiles, and over 83 lakh pieces of sanitaryware were produced in fiscal 2017-18.

Local manufacturers cater to 85 per cent of the country's demand, while the rest, most comprising high-end ceramic products, is imported from Japan, China and Taiwan, said Irfan Uddin, general secretary of the BCMEA, earlier.



A cashew tree garden is pictured in Panchari upazila of Khagrachhari district. Thanks to a government initiative to step up cultivation of the crop, total acreage has increased significantly over the past year.

PHOTO: COLLECTED

# Coffee, cashew cultivation expands under DAE project

MOSTAFA SHABUJ, *Bogura*

Coffee and cashew cultivation are rapidly expanding in Bangladesh thanks to a government initiative that aims to meet the growing domestic demand for these two crops.

The Department of Agricultural Extension (DAE) is the lead implementing agency of the Tk 211 crore project, called "Research, Development and Extension of Cashew and Coffee", while the Bangladesh Agricultural Research Institute is acting as co-agent.

According to the project authority, they have helped increase coffee and cashew cultivation by 800 hectares and 1,200 hectares of land across 19 districts respectively since May last year.

Previously, coffee was grown on just 122 hectares of land while cashew cultivation took up 2,065 hectares of land across the country.

Of the newly cultivated lands, hilly areas like the Chittagong Hill Tracts contributed 80 per cent while the remainder are plain lands in various districts, such as Tangail, Mymensingh, Sylhet and Dinajpur.

Project Director Shahidul Islam said they aim to further increase the land usage for coffee cultivation by 2,000 hectares and cashew cultivation by 3,000 to 4,000 hectares.

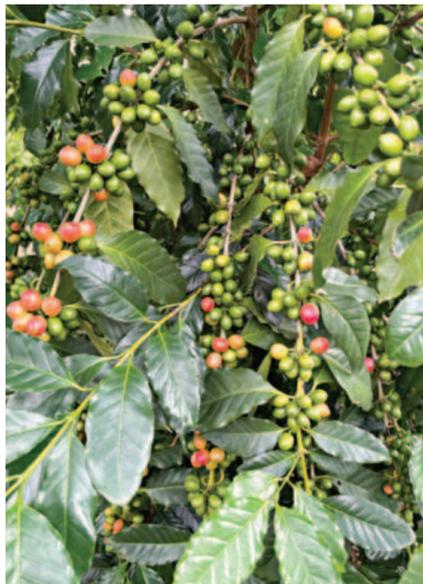
According to the DAE, the yearly domestic demand for coffee is nearly 1,200 tonnes worth Tk 600 crore.

Farmers under this project, which was initiated by Agriculture Minister Mohammad Abdur Razzaque, are expected harvest nearly 4,000 tonnes of coffee beans, which will provide 1,000 tonnes of coffee, within the next two or three years. At present, only a few farmers produce just 60 to 70 tonnes of coffee annually.

Similarly, the domestic market for cashews, which is mostly import-oriented, is worth around Tk 400-450 crore.

Besides, there are about 16 or 20 large and medium sized cashew processing industries in Bangladesh that require roughly 20-25 thousand tonnes of raw cashews each year.

"The factory owners now depend on imports but



local farmers will be able to meet their demands within the next 5 to 10 years," the project director said.

"Currently, our farmers in the Chittagong Hill Tracts produce only 1,600-2,000 tonnes of cashew, which is nothing compared to our national demand," Islam added.

He went on to say that the new coffee and cashew farms under the project are being set up mainly on abandoned lands.

Each hectare of land produces about 2 to 2.5 tonnes of coffee, which can be sold at a current market price of around Tk 350 to Tk 400 per kilogramme (kg).

"Our government aims to create a \$1 billion export market for coffee and cashews from Bangladesh," Islam said.

"We are providing farmers with the best variety of coffee plants - Robusta and Arabica - which are highly demanded in international markets," he added.

Sanowar Hossain, a farmer in Tangail's Madhupur area, has been growing coffee on his 1.5 bigha land since 2019.

He collected about 70-80 kgs of processed coffee which sold for between Tk 1,200 and Tk 2,000 per kg in local markets last year.

"I collected these plants with help of the local DAE office under its Year-round Fruit Production for Nutrition Improvement project," Hossain said, adding that he will set up new farms if he gets land in hilly areas.

Lal Duh Sang Bawm, a coffee farmer of Bastlang Para under Bandarban's Ruma upazila, has been cultivating coffee on his 15 acres of hilly land since 2008.

Bawm had sown around 6,000 to 7,000 coffee plants that year but two thirds of his crop has since died as he recently applied the wrong pesticides.

"I got nearly 4-5 maunds of coffee from this land previously and used to sell the beans for Tk 350 to Tk 440 per kg. DAE officials recently provided me over 1,000 new plants of Robusta and Arabica, which I planted last October," he said.

"Coffee is a mostly profitable crop as you do need any new land for it. We grow coffee alongside mango and get extra income from coffee as it has high demand," Bawm added.

Manyang, a farmer of Ranglay Para under Bandarban sadar upazila, has been cultivating coffee on his three acres of land since 2016. He got 130 kgs of coffee beans last year and sold it for Tk 300 per kg.

"I cultivate coffee as a companion crop in my mango and jackfruit orchards. The main problem is irrigation as coffee plants need water but we have a scarcity in hilly areas," he said, adding that he too got some new plants from the project.

## MICRO-FINANCE

# Unlocking the power of digital transformation

ENAMUL HUQUE

Our everyday relationship with financial services – their scope, their function, and how we use them – is constantly shifting in profound ways. These changes have been brewing, and as the world continues to mount an unparalleled response to an unprecedented crisis, they are accelerating at warp speed with no signs of slowing down. These transformations are driving financial inclusion forward.

In Bangladesh, the rural economy has powered the move toward greater prosperity.



A sound and consistent policy framework – backed by substantial investments in technology, rural infrastructure, and human capital – has led to widespread gains across major socioeconomic indicators. Micro-finance institutions (MFIs), a key segment of the rural financial market, play a vital role in this story.

The services and resources that MFIs channel to rural areas provide jobs for members of our low-income population, bridging the income gap, raising domestic consumption, and advancing inclusion. MFIs are instrumental in supporting rural agriculture, which proved its mettle and helped support the country during a global pandemic.

With new employment generation increasing in non-farm sectors, and with villages becoming more connected to cities, the need for financing and its potential upside will continue to rise rapidly. Low access to formal credit among rural households and micro-enterprises means that MFIs will be the main conduits of this financing.

**The services and resources that micro-finance institutions channel to rural areas provide jobs for members of our low-income population, bridging the income gap, raising domestic consumption, and advancing inclusion**

Case studies have shown that microfinance can boost income.

According to a study conducted in Bangladesh, households that diversified beyond farming via microfinance saw their income grow by almost 29 per cent when compared to those whose income remained exclusively dependent on farming. Better access to credit was key in enabling this income diversification.

Microfinance is also driving micro-entrepreneurs in urban areas. Take the story of Minara Parvin.

Minara grew frustrated at seeing her husband Nazrul Islam work six days a week in a factory for little reward. She approached the Adamjinnagar branch of an NGO that we work with. With their help, Minara and Nazrul set up Tapoe Lone Enterprise to produce lace.

The business grew quickly and now employs 75 people. Tapoe Lone Enterprise has made it possible for the couple to house and educate their children, empowering them to lead better lives.

The microfinance sector in Bangladesh has seen significant growth in recent decades, but it is time for MFIs to address the key challenge of scalability, expanding social lending activities with lower incremental costs.

Historically, micro-finance operations have been human-intensive, making them inefficient.

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# EU turns to Israel for gas

AFP, *Beersheba*

The European Union wants to strengthen its energy cooperation with Israel in light of Russia's use of gas supplies to "blackmail" its members over the Ukraine conflict, European Commission chief Ursula von der Leyen said Tuesday.

Her remarks came as Italian Prime Minister Mario Draghi, also visiting Israel, said Rome was seeking to boost gas supplies from Israel as EU members eye options to diminish their reliance on Russian energy.

"The Kremlin has used our dependency on Russian fossil fuels to blackmail us," von der Leyen said in a speech at the Ben Gurion University in the southern Israeli city of Beersheba.

"Since the beginning of the war, Russia has deliberately cut off its gas supplies to Poland, Bulgaria and Finland, and Dutch and Danish companies, in retaliation for our support to Ukraine."

But Moscow's conduct "only strengthens our resolve to break free of our dependence on Russian fossil fuels," she said, noting the EU was "exploring ways to step up our energy cooperation with Israel," with work on an underwater power cable and a gas pipeline in the eastern Mediterranean.

Israel exports gas to Egypt, some of which is then liquefied and shipped to Europe. A significant increase in gas exports would require major long-term infrastructure investments.

In talks with Energy Minister Karine Elharrar on Monday, von der Leyen reiterated "the EU need for Israeli gas," the minister's spokesperson said.

The spokesperson said there had been talks since

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A crude oil storage facility is seen in Oklahoma, USA. Fuel use has rebounded from the 2020 pandemic-induced slump and is set to exceed 2019 levels this year even as prices hit record highs.

PHOTO: AFP/FILE

# Global oil demand growth to slow in 2023 Opec says

REUTERS, *London*

World oil demand growth will slow in 2023, Opec delegates and industry sources said, as surging crude and fuel prices help drive up inflation and act as a drag on the global economy.

Fuel use has rebounded from the 2020 pandemic-induced slump and is set to exceed 2019 levels this year even as prices hit record highs. But high prices have eaten into growth projections for 2022 and fed into expectations for slower growth in 2023.

The Organisation of the Petroleum Exporting Countries is expected to publish its first forecast for 2023 demand in July. Its forecast, along with that of the Paris-based International Energy Agency, will be watched closely for pointers on how

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