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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 RAIHAN

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.

preferences.

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

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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STOCKS

DSEX ▼	CASPI ▼
0.47%	0.41%
6,361.39	18,710.94



COMMODITIES

Gold ▼	Oil ▲
\$1,817.99 (per ounce)	\$121.70 (per barrel)



ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.29%	▼ 1.32%	▼ 0.97%	▲ 1.02%
52,693.57	26,629.86	3,108.89	3,288.91

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

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

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

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

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