

Dredging old Brahmaputra to reduce distance with India: minister

STAR BUSINESS REPORT

The distance between India and Bangladesh over waterways will decline by 116 kilometres after the excavation of the old Brahmaputra river, said State Minister for Shipping Khalid Mahmud Chowdhury yesterday.

The government has taken a project to dredge the river, he told a workshop organised by Bangladesh Inland Water Transport Authority at Pan Pacific Sonargaon Dhaka on restoring the river's flow during the dry season.

Rivers should be maintained to ensure normal flow and Sylhet, Sunamganj, Netrakona and northern areas have been flooded due to a lack of navigability in rivers, he said.

Opening the mouth of the Brahmaputra river will ensure the flow of water of the Turag and Balu rivers while pollution around Dhaka will be reduced, he said.

"This is a big challenge. The project is ongoing. A lot of digging has been done on the lower side. If the mouth of Brahmaputra river can be opened, it will be a great success," he said.

App Store prices to go up

REUTERS

Apple Inc said on Tuesday it will raise prices of apps and in-app purchases on its App Store from next month in all of the euro zone and some countries in Asia and South America.

The new prices, excluding auto-renewable subscriptions, will be effective as early as October 5, Apple said in a blog post.

The US tech giant periodically adjusts its prices in different regions and reduced prices for euro zone countries last year to adjust for currencies and taxes, dropping starting prices for many apps to 99 euro cents from 1.09 euros.



OVERALL GROWTH

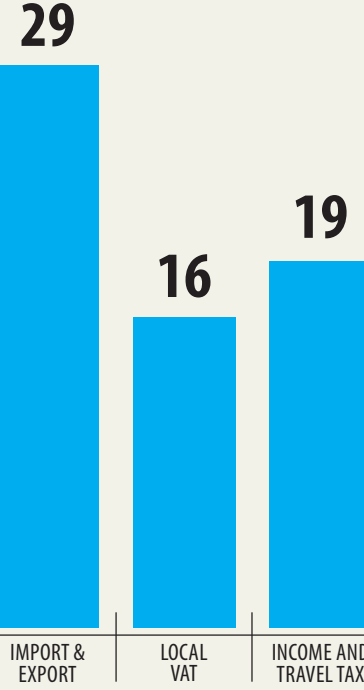
- » In Jul-Aug this year, growth is 21.13%
- » In Jul-Aug last year, growth was 14.49%
- » Last five years' average collection growth 12.12%

TARGETS

- » In FY23, NBR targets Tk 370,000cr revenue
- » In FY22, NBR targeted Tk 330,000cr revenue
- » For FY23, growth target is 12.12%

NBR'S REVENUE GROWTH

FY23: Jul-Aug
In % y-o-y
SOURCE: NBR



Revenue collection jumps 21pc in Jul-Aug

REJAUL KARIM BYRON and MD ASADUZ ZAMAN

Revenue collection by the National Board of Revenue (NBR) witnessed robust growth of 21 per cent in the July-August period of the current fiscal year thanks to the devaluation of taka, high inflationary pressure and expansion of the economy.

As such, the NBR has collected Tk 40,270 crore from income tax, value added tax (VAT) and customs duty in the first two months of fiscal 2022-23, according to official documents.

Revenue collection by the NBR had grown by some 14.49 per cent during the same period last year.

In an extraordinary move, the government had offered holders of undisclosed income amnesty for bringing back their laundered money back to the country by paying 7 per cent tax. However, there was no response in this regard over the past two months, NBR officials say.

The increased growth in collection is a result of the government's budgetary measures for the ongoing fiscal year, according to an official of the finance ministry.

Besides, the country's economic recovery from Covid-19 has also contributed to the

growth, he added.

Various economists termed the rise in tax collection as "good" but also "challenging" for the NBR to fulfil this year's revenue target.

Dr Ahsan H Mansur, an economist and executive director of the Policy Research Institute of Bangladesh, termed it as a mixed scenario.

"There is no doubt that it is good news for our economy but whether such growth can be maintained is the real issue," he said.

The economist credited the country's economic expansion following the coronavirus pandemic, increased inflation and devaluation of the local currency for the rise in revenue collection.

However, he fears uncertainty over the country's economy due to high inflation and subsequently lower purchasing power of the general public may ultimately hamper future prospects in this regard.

He then explained that revenue collection usually grows in times of inflation but only nominally.

Meanwhile, import duties have increased due to the devaluation of taka.

According to Bangladesh Bank, the local currency's value has fallen by some 25 per cent in the past year.

Asked whether the scope for amnesty provided to holders of undisclosed income could positively impact revenue collection, Mansur said it would not be very effective to this end.

Muhammad Abdul Majid, former chairman of the NBR, agreed that inflation is a major cause for the increase in tax collection.

"But we cannot understand the economy's progress just from two month's growth. Usually, the figure of July is adjusted with the previous month's transactions. So, the figures are not exactly correct," he said.

"The performance of August is good but if we consider the components of revenue collection, VAT submissions were higher due to inflation," Majid added.

As for other components, it cannot be gauged from higher income tax collection in the past two months whether this growth is positive or not as it will be compiled in the October-November period.

"So, it should not be talked about before then," he said.

The revenue collection target for fiscal 2022-23 was set at Tk 3,70,000 crore, which is 12.12 per cent higher than what it was the previous year. In fiscal 2021-22, overall revenue collection was Tk 3,00,000 crore, according to NBR sources.

Steel industry has good future as demand rising

Experts say

STAFF CORRESPONDENT, Ctg

Undergoing uncertainties for high raw material prices and foreign currency rates, the country's steel industry still has a good future as infrastructure demand is booming while the economy resilient, said experts and manufacturers at a conference yesterday.

They informed that steelmakers in Bangladesh including BSRM, AKS and GPI are going to increase their production capacities by around five to six million tonnes in the next four to five years to cater to government-funded infrastructure projects.

The programme, styled "3rd Steel and Raw Material Conference: Emerging Bangladesh", was organised by SteelMint Events, an India-based networking and business platform, in Chattogram yesterday.

Participants from 30 countries, including global suppliers of raw materials and technology, joined the two-day event jointly inaugurated by BSRM Group Chairman Alihussain Akberali and PHP Group Chairman Sufi Mohamed Mizanur Rahman.

"As the country was about to recover from Covid-19, this Russia-Ukraine crisis began and the impact of this war is felt faster in countries like Bangladesh."

The UAE-based Indica Group is the principal sponsor of the conference while BSRM, PHP, SMS Group, Electrotherm and RHI Magnesita are platinum sponsors.

Ameir Alihussain, managing director of BSRM Group, addressed the first session titled "Changing dynamics of global steel industry and its impact on Bangladesh".

He said the last three years have really been a rollercoaster ride for everyone involved in the steel industry and unfortunately this ride had not ended.

"As the country was about to recover from Covid, this Russia-Ukraine crisis happened and the impact of this war is felt faster in developing countries like Bangladesh," he said.

"Sometimes the price is going up, sometimes it is going down, even from the manufacturing side we cannot give any consistency to the market," he said.

"But countries like Bangladesh, a highly populated country, and others in South Asia have a domestic momentum that is always on," he added.

The domestic economy will keep progressing albeit maybe at a slower pace, Alihussain said.

A lot of manufacturing capacity will be added, at least by around five to six million tonnes, over the next four to five years, so there is a lot of work coming into Bangladesh, he said.

Rajesh Agarwal, a steel trading consultant from India, said the Bangladesh market was booming in terms of demand and consumption.

Mentioning challenges like supply chain disruptions, increases in energy prices, cost of production, freight rate and interest rate, trade sanctions and decreasing forex reserve, Agarwal emphasised that countries start trade using their own currencies.

Private companies

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The director of Metacore went on to say that the rollout of 5G services has been delayed by the ongoing global economic slowdown.

"But I think 5G usage will start in metropolitan areas by next year, propelling bandwidth use further," he said.

Bandwidth consumption witnessed a remarkable rise during the coronavirus pandemic as people turned to the internet for work, education and entertainment from home.

As such, bandwidth usage surged to 4,200 Gbps at present from 1,000 Gbps in the pre-pandemic era, BTRC data shows.

CdNet Communications, which is a new company in telecommunication sector, is initially planning to invest \$70 million to \$80 million, according to its CEO Mashiur Rahman.

"We want to land the first cable connection by 2024 and a second by 2026," he said.

Like the other two firms, CdNet will connect Bangladesh with submarine cables routed from Singapore.

"About 95 per cent of the country's data traffic is already linked with Singapore, which is Southeast Asia's biggest data hub," said Rahman, a former managing director of the BSCCL.

Google recently established its third data centre in Singapore in order to support the reliable access of Google services by 2.5 billion people in the region.

CdNet plans to connect with a westward cable for European data and Hong Kong for Chinese data.

Md Arif Al Islam, managing director of Summit Communications, said their initial investment would be between Tk 750 crore and Tk 1,000 crore.

"Our company has the capacity to manage the funds locally but still, we

are open for foreign investment," he added.

With this backdrop, Bangladesh will be connected to a total of six submarine cables.

Asked if it is necessary for the country to have six connections, Islam said the number of submarine cable links is higher in other countries in the region.

There are seven submarine cable connection systems in Pakistan, 11 in the Philippines, 17 in India, 6 in Vietnam, 5 in Sri Lanka and 8 in Thailand, he added.

However, an official of a telecom operator said if they could lay their own fibre optic cables in the country, then the rolling out of new submarine cables would be more fruitful for end users.

In 2008, the BTRC barred local telecom operators from laying fibre optic cables.

Meanwhile, the BSCCL could face stiff competition once private companies launch their services.

"If bandwidth use increases, then it will not affect our business. But if bandwidth use doesn't increase to expected levels, we will face competition," said Md Azam Ali, managing director of the BSCCL.

BB issues guideline for green bond rollout

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Lenders have to maintain capital as per the guidelines set by Basel III to qualify for issuing the bonds.

If any lender has a record of having faced a provision shortfall in the past two years, they will not be eligible to issue the bonds.

On top of that, banks intending to issue the bonds have to maintain the cash reserve requirement (CRR) and statutory liquidity ratio (SLR) on a regular basis.

EPZs make history in export

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Last fiscal year apparel shipments accounted for more than half of the total export receipts of the EPZs. The rest were garment accessories, footwear and leather goods, textile, tent, caps, plastic goods and electronics.

Apart from recording the highest-ever export figures, the investment promotion agency registered \$410 million in investment in fiscal year 2021-22, surpassing all previous records.

The previous record was \$406 million in fiscal year 2014-15, according to Bepza.

The Bepza executive chairman attributed it to investment-friendly

policies and incentives of the government. Services provided by the Bepza to support investors is another reason, he said.

Bepza said the investment created over 64,000 jobs in factories, the highest in its record.

With a cumulative investment of \$6 billion, 456 factories are operating in eight EPZs in the country, the largest of which is Chattogram EPZ.

Garment factories account for one third of those.

In fiscal year 2021-22, investors showed interest the most in Chattogram EPZ, the oldest in Bangladesh, followed by Dhaka EPZ and Adamjee EPZ, according to official data.

3 Orion firms see unusual price hike

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Its earnings per share in the first three quarters of fiscal 2021-22 was Tk 1.43 while it was Tk 1.12 at the same time the previous year, as per the company's financial report.

Meanwhile, Orion's turnover was Tk 61 crore during the same period, when the company's paid-up capital was Tk 20 crore.

The total value of the company's shares traded over the past two months amounted to Tk 1,375 crore.

Uttara Finance urges ACC

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He said he has also filed a writ petition with the High Court challenging the central bank's steps against him.

Rashidul Hasan, chairman of the NBF, declined to comment on the issue.

Bangladesh Bank removed Arefin from the post on June 23 for his alleged involvement in financial irregularities.

The central bank carried out

A top official of a leading stock brokerage, preferring anonymity, said Orion's stocks are rising based on a rumour that some big investors are manipulating their value.

Stocks of Orion Pharmaceuticals, another concern of Orion Group, also ballooned 80 per cent to Tk 145 from Tk 80 in the last two months even though it assured that there was no undisclosed information that could have influenced such a rise.

Its earnings per share stood at Tk

"We are not only focusing on attracting investment for product diversification but also on high-end and tech products," said Rahman.

Auto parts, electronics, mobile accessories, camera lenses, medical equipment, and sports items are made in the EPZs and exported abroad, he pointed out.

Bepza is going to develop an economic zone at Bangabandhu Sheikh Mujib Shilpa Nagar, Chattogram, and three more EPZs in Gaibandha, Jashore and Patuakhali.

It said it was giving importance to encouraging the establishment of medical equipment manufacturing plants.

3,071 in the first nine months of fiscal 2021-22 while it was Tk 2.98 at the same time the year before, DSE data shows.

Similarly, Kohinoor Chemicals, another subsidiary of Orion Group, saw its stock value skyrocket by 92 per cent to Tk 735 from Tk 382 in the past two months.

Kohinoor's earnings per share was Tk 9.24 in the July 2021-March 2022 period while it was Tk 7.11 at the same time the previous year.

institution, said the BB probe report.

He took Tk 24.22 crore from the NBF without its board's approval. The amount was not even stated in the NBF's financial statement and he does not have any loan account with the lender.

At that time, Arefin had told the BB inspection team that he had taken the funds for his son's treatment and returned a good amount in phases.

India starts debt-restructuring talks with Sri Lanka

REUTERS, Colombo

India said on Tuesday it had begun talks with Sri Lanka on restructuring its debt and promised to support the crisis-hit neighbour mainly through long-term investments after providing nearly \$4 billion of financial aid.

Sri Lanka, a tourism dependent South Asian country of 22 million, is struggling with its worst economic crisis in more than seven decades, which has led to shortages of essentials and the ouster of a president.

The country earlier this month reached a preliminary deal with the International Monetary Fund for a loan of about \$2.9 billion contingent on it receiving financing assurances from official creditors and negotiations with private creditors.

The High Commission of India in Colombo said it held the first round of debt talks with Sri Lankan officials on September 16.

"The discussions held in a cordial atmosphere symbolise India's support to early conclusion and approval of a suitable IMF programme for Sri Lanka," the High Commission said.

Sri Lanka will make a presentation to its international creditors on Friday, laying out the full extent of its economic troubles and plans for a debt restructuring.

The Indian High Commission also said New Delhi would continue to support Colombo "in all possible ways, in particular by promoting long-term investments from India in key economic sectors".

India's support to Sri Lanka this year has included a \$400 million currency swap, a \$1 billion credit line for essential goods and a \$500 million line for fuel. In addition, India has also deferred payment on Sri Lankan imports of about \$1.2 billion and given a credit line of \$55 million for fertiliser imports.