

Payra port capital dredging kicks off

It is one of the Tk 11,072cr projects for the port

OUR CORRESPONDENT, Patuakhali

Capital dredging at Payra port began today just after the inauguration of the project by Prime Minister Sheikh Hasina, said Rear Admiral Mohammad Sohail, chairman of the Payra Port Authority.

The dredging at the port's Ramnabad Channel will create a 75-km-long, around 125-metre-wide and 10.5-metre-deep channel, through which ships carrying 40,000 tonnes of cargo or 3,000 containers can easily navigate.

The capital dredging channel will cost approximately Tk 4,950 crore and the dredging will be done by Belgium-based dredging company Jan de Null.

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The premier inaugurated a number of development projects for Payra port worth Tk 11,072 crore through a virtual video conference from her official residence Gono Bhaban in Dhaka.

These development projects include the port's capital dredging, inauguration of eight ships and the laying of the foundation stone of the first terminal and the construction of a six-lane connecting road and a bridge on Andharmanik river.

The Payra Port Authority (PPA) is implementing these projects with its own funding.

The premier inaugurated Payra seaport on November 19 in 2013 and so far 260 sea-going vessels have docked at the port, which helped the port earn about Tk 548 crore in revenue.

State Minister of Shipping Khalid Mahmud Chowdhury, Shipping Secretary Mostafa Kamal and Payara Port Authority Chairman Rear Admiral Mohammad Sohail also spoke at the inauguration event held at the Payra port site in Patuakhali.

At the event, a documentary film on Payra port and development projects was shown.

The ships and vessels constructed at a cost of Tk 209.74 crore for the Payra seaport will assist the port authorities in monitoring the arrival and departure of foreign vessels and maintaining the channel.



The capital dredging at Payra port will cost Tk 4,950 crore and will be done by Belgium-based Jan de Null. PHOTO: SOHRAB HOSSAIN

Fast-track national social security strategy

Sanem chairman urges govt

STAR BUSINESS REPORT

Bangladesh should quickly implement its national social security strategy (NSSS) to ensure the maximum coverage of vulnerable people, including women and children, according to an economist.

The NSSS is a roadmap to reduce poverty that was formulated by the government in 2015.

"Although the government has taken the strategy, we are still moving slowly to address the needs of vulnerable people as well as the new poor emerging from Covid-19," said Bazul Haque Khondker, chairman of the South Asian Network on Economic Modeling (Sanem).

Even though a long time has passed since the NSSS was formulated, the government is yet to create a digital social registry under the National Household Database, resulting in complexities for selecting the right beneficiaries.

"So, Bangladesh needs to revisit the NSSS to set a new vision or approach to social protection and it should be an inclusive one with no one left out," he added.

Khondker was speaking at a webinar on the current status of social safety net programmes in the country, organised by Sanem.

"Failure to select the right beneficiaries is a major problem as we still cannot bring those in need under social security coverage," he said.

Around 71 per cent of the existing beneficiaries are facing exclusion errors or wrong selection. Some 67 per cent of the beneficiaries in rural areas were wrongly selected while the number is 84 per cent for those in urban areas.

Currently, Bangladesh is covering around 35 per cent of its total population through more than 150 large and small schemes.

The Sanem chairman then said the average transfer amount to beneficiaries is Tk 595, which is inadequate.

"This token amount of money does not reflect the level that is expected as it is even below the poverty line," said Khondker, also a former economics professor at the University of Dhaka.

Regarding his idea for the future of social protection in Bangladesh, he said the authority should include social care as a new pillar of safety net programmes in the country when revisiting the NSSS.

The economist also said young children account for almost one in every eight poor persons but receive only 1.6 per cent of social protection expenditures.

Besides, the cost of social protection for

aging people could become unsustainable with the current structure of such programmes.

"So, we need to invest more on the young and ensure long-term sustainability of programmes for the elderly," he added.

In addition, around 55 to 65 per cent of the people in vulnerable groups could be brought under social insurance such as universal schemes and unemployment insurance.

"The private sector could take the responsibility in this regard," Khondker said.

Bangladesh's current spending on social safety net programmes is around 2.5 to 3 per cent of the country's gross domestic product (GDP).

If pensions for civil servants and other forms of social assistance are excluded, then the amount being received by vulnerable people would be 1.5 to 1.7 per cent of the GDP.

However, the government needs to spend more on the administrative cost to end the wrong selection of beneficiaries.

"We are still lower in terms of coverage than the global average," he added.

The seminar was moderated by Israt Hossain, senior research associate of Sanem.

US Trade Show kicks off in Dhaka

STAR BUSINESS REPORT

A three-day US Trade Show kicked off to showcase American companies' products at Pan Pacific Sonargaon in Dhaka yesterday.

Tipu Munshi, minister for commerce, and Arun Venkataraman, assistant secretary of commerce for global markets and director general of the US and foreign commercial service, jointly inaugurated the trade show, where 46 American companies are displaying their goods in 76 stalls.

The American Chamber of Commerce in Bangladesh (AmCham) and the US embassy in Dhaka jointly organised the show.

At the show, the new US Commercial Service Centre has also been inaugurated to provide commercial services to both Bangladeshi and US businesses from the embassy. Munshi said the bilateral trade was impressive between the two countries.

The US is the single largest export destination for Bangladesh products and recently a lot of items from the US have also started coming to Bangladesh.

The new commercial office will help a lot in growing the bilateral trade between the two countries, Munshi said.

Venkataraman lauded the economic progress that Bangladesh attained in its 50 years of journey.

Currently, the US is the single largest export destination for Bangladesh, continuing to rise even amid higher inflationary pressure on consumers.

BBS Cables' profit falls

STAR BUSINESS REPORT

BBS Cables witnessed a decline in profits in 2021-22 fiscal year because of the rising global prices of raw materials and a fall in government tenders, which is the biggest source of the company's earnings.

The cable producer's earnings per share dropped more than 13 per cent year-on-year to Tk 4.01 in 2021-22.

The company shared the information in its disclosure published today on the website of the Dhaka Stock Exchange.

However, the board of directors of BBS declared 8 per cent cash and 5 per cent stock dividends for its shareholders.

The board also approved Tk 10.10 crore for purchasing land, building and capital machineries for business expansion.

DSE profit rises to Tk 124cr

STAR BUSINESS REPORT

The profit of Dhaka Stock Exchange (DSE) rose more than 10 per cent year-on-year to Tk 124 crore in 2020-22 financial year.

Its earnings per share stood at Tk 0.69, which was Tk 0.63 a year ago, according to a press release of the DSE.

The premier bourse's net asset value per share was Tk 10.79 at the end of the last financial year, up from Tk 10.49 a year ago.

Its annual general meeting would be held on December 26.

NBR to access DPDC database

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Finance Minister AHM Mustafa Kamal said the number of middle-class and above population is about 4 crore in the country, but most of them are not paying income tax.

To hunt tax-dodgers and increase income tax collection, the NBR initially started signing agreements with regulatory agencies a couple of years ago.

As such, it has inked deals with regulatory agencies such as the Bangladesh Election Commission and Bangladesh Telecommunication Regulatory Authority.

The NBR also signed MoUs with Bangladesh Road Transport Authority (BRTA), Bangladesh Financial Intelligence Unit (BFIU) and the Department of National Savings to access the database of these public agencies.

Now, the tax authority is working to sign a similar agreement with seven more electricity distribution companies, including Rural Electrification Board and Power Development Board, and state-gas distribution companies and city corporations, including the two in Dhaka city, said a senior NBR official.

Following the agreement with BRTA, the tax authority found a number of tax evaders and new taxpayers, officials say.

At yesterday's event, NBR Chairman Abu Hena Md Rahmatul Muneem said owners of one or more houses and flats in Dhaka city have the ability to file returns but many of them do not.

"Through these initiatives, we will be able to find more taxpayers," he said, adding that the per capita income of the people of Bangladesh has increased in the last ten years.

"The number of people with taxable income has increased but the tax net did not enlarge to that proportion," he said.

One of the biggest challenges in expanding the tax net is the proper identification of taxpayers.

Also known as direct tax, income tax is the second biggest source of revenue collection for the NBR followed by the value added tax paid by consumers. The NBR earlier set a target to make income tax the number one source of revenue, but this goal is yet to materialise.

Pradyut Kumar Sarkar, member for tax audit intelligence and investigation at the NBR, said establishing a tax-friendly culture, and developing a transparent and harassment-free tax administration system would motivate people to pay taxes.

Habibur Rahman, secretary to power division, said it is very opportune for the two organisations to work together.

Bikash Dewan, managing director of DPDC, said mutual co-operation among the agencies will go a long way in increasing the tax net.

"The DPDC will provide the information required by the NBR," he added.

In a presentation, Niaz Morshed, second secretary for international agreement of income tax at the NBR, said the DPDC has 10.21 lakh customers but just 3.65 lakh of them have Taxpayer Identification Numbers.

So, there is a huge potential to collect tax, he added.

"It is definitely a good initiative. It will be easier to screen data and find taxpayers if there is a common interface to the database of various agencies," said Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue.

However, access to the database should be free.

The NBR should also form a specialist team that will be able to analyse big data and use blockchain, he added.

Don't transact with Lanka through ACU

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for both export and import through the ACU mechanism.

So, it is difficult for local businesses to do foreign transactions with Sri Lankan banks due to the CBSL's decision to exclude its nation from the ACU mechanism.

The BB official, however, says that if any Bangladeshi bank wants to settle a transaction with a Sri Lankan commercial bank, they can do it by ignoring the ACU mechanism.

The island country has been facing an acute shortage of foreign exchanges in recent times, which is why it has even faced difficulties to import essential commodities.

FDI flow soars

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FDI hope. The sector is facing corruption and nepotism.

"This discourages investors from making the country their investment hub," Hossain said.

The economist feels that the tax regime should be reformed as well.

Another barrier comes from the stock market and investors hardly raise any funds from the bourses.

"If we can't address these issues, there will be no scope to draw a higher level of FDI in the coming years," he said.

The textile sector was the biggest gross FDI recipient, netting \$1.16 billion in the last fiscal year, an increase of 81 per cent year-on-year.

The power sector received \$579 million from \$532 million earlier while non-bank financial institutions secured \$7.92 million compared to \$267 million a year ago.

Stocks stretch gaining streak to 3rd day

STAR BUSINESS REPORT

Stocks in Bangladesh yesterday stretched their gaining streak to three consecutive trading sessions thanks to higher investor participation, according to market analysts.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 33 points, or 0.53 per cent, to hit 6,377 points by the end of the day. With this, the index has advanced 70 points in the last three trading sessions.

Turnover at the DSE, which indicates how much trading activity took place on the day, rose around 48 per cent to Tk 1,094 crore while it was Tk 741 crore on Wednesday.

The DS30, a market index consisting of blue-chip companies, edged up 0.74 per cent to 2,265 points while the DSES, the shariah-compliant index, rose 0.67 per cent to 1,402 points.

The stock market observed another bullish session as

bargain hunters maintained their buying appetite amid increased participation, International Leasing Securities said in its daily market review.

Following the previous session, the market opened on a flying note and the upbeat trend continued till the end. The cheerful investors put fresh bets on sector specific issues riding on the June-end dividend declaration that is now ongoing.

However, some investors are still concerned about rising inflation, the exchange rate volatility, and that an increase in the interest rate could hamper the money flow to the capital market, the stock brokerage added.

Among the sectors, paper rose 7.4 per cent, travel advanced 3.6 per cent and general insurance grew 1.3 per cent while jute fell 3.8 per cent and tannery edged down 1 per cent.

The investors' focus was mainly on the paper (21 per cent), pharmaceutical (13.4 per cent) and

miscellaneous (13.3 per cent) sectors.

At the DSE, 73 securities advanced, 59 declined, and 219 remained the same.

Sinobangla Industries topped the gainers list, advancing 30 per cent after news broke that it is going to issue right shares in the ratio of one right share against two existing shares.

Right shares are stocks which are issued by the company with the aim of increasing its subscribed share capital.

Aftab Automobiles, Sena Kalyan Insurance, Bashundhara Paper Mills and Navana Pharmaceuticals also rose by more than 9 per cent each.

Tamijuddin Textiles suffered the highest correction, sliding almost 8 per cent, while Aramit Ltd, Bangladesh Lamps, Apex Foods, and ACI Formulations also featured in the top losers list.

The CASPI, the all-share price index of the Chattogram Stock Exchange, increased 101 points to end the day at 18,778 points.

EBL, Visa unveil co-branded cards, loan products

STAR BUSINESS DESK

Eastern Bank Ltd and Visa launched co-brand cards and loan products for Startup Bangladesh Ltd, the flagship venture capital fund of the ICT Division.

Zunaid Ahmed Palak, state minister for ICT, and Mostafa Osman Turan, Turkish Ambassador to Bangladesh, jointly unveiled the card and loan products at the bank's

head office in Gulshan, Dhaka yesterday, a press release said.

Ali Reza Iftekhar, managing director of EBL, and Sami Ahmed, managing director of Startup Bangladesh Ltd, also shared the same podium.

The co-brand credit cards which come with a number of benefits for the customers will be usable for both domestic and international transactions.

The 'Startup Explorer', a loan product for Startups in Bangladesh, and 'EBL Freedom Freelancer Visa Debit Card' were also launched at the same programme, which will help them manage their foreign currency earnings efficiently.

M Khورشed Anwar, deputy managing director, Ziaul Karim, head of communications and external affairs, and Nahid Farzana, head of cards, were present.