



A tanker traverses the Shitalakshya river to reach liquefied petroleum gas (LPG) loaded from Chattogram to Dhaka. In 2019, the country's LPG use stood at around 10 lakh tonnes whereas in 2009 it was only 47,000 tonnes. Annual demand is expected to grow to 2 million tonnes by 2030 if the consumption keeps going up at the current pace. Demand for the fuel is rising owing to an inadequate supply of natural gas, a shift away from burning wood for cooking, and the government's drive against illegal gas connections and policies aimed at popularising the LPG. The photo was taken recently.

PHOTO: ANISUR RAHMAN

Govt planning big reforms in revenue sector

Aims to facilitate smooth LDC graduation

STAR BUSINESS REPORT

The government has plans for massive reforms in the revenue sector as it aims to increase collection and gradually reduce subsidies so that Bangladesh can smoothly graduate to a developing nation, according to speakers at a seminar.

Government high-ups presented the reform plans at a national seminar on "LDC Graduation", organised by the Support to Sustainable Graduation Project (SSGP) of the Economic Relations Division (ERD) at a hotel in Dhaka yesterday.

While presenting the keynote on internal resource mobilisation and tariff rationalisation, Fatima Yasmin, senior secretary of the Finance Division, said the government has decided to abolish minimum import prices by gradually phasing them out.

The government has already withdrawn the minimum import price on 55 items this year while that of the remaining 130 products will be eliminated by 2026, when Bangladesh will graduate from the least developed country (LDC) status.

In addition, the National Board of Revenue (NBR) recently initiated a "Tax

Expenditure Study" to increase the country's tax-GDP ratio.

Besides, initiatives are underway to determine tax rates in line with global best practices, she added.

Yasmin then said the NBR plans to install three lakh electronic fiscal device (EFD) machines in the next five years, the task of which will be outsourced.

"Currently, 8,077 EFDs are in use," she added.

Yasmin went on to say that the NBR has identified 60 tariff lines where the addition of customs duty, supplementary duty, regulatory duty and other duties and charges (ODC) exceed the bound tariff.

"These rates will be gradually rationalised and brought under the bound tariff by 2026," she said, adding that the commerce ministry is drafting the National Tariff Policy in close collaboration with NBR.

Regarding the cash incentives for exporting certain products, the secretary of the Finance Division said the government will gradually phase them out as they have little impact on the volume of outgoing shipments.

"Although India did not provide any

such cash incentives, its exports still grew more than Bangladesh. So, it can be assumed that there are many other factors that contribute to export growth," Yasmin said, citing export data of the two countries between 1989 and 2015.

Zakia Sultana, secretary of the industries ministry, said Bangladesh must align itself with other LDCs in lobbying for an extension of the general transition period after graduation.

As such, the country must continue bilateral discussions with developed countries to this end, much like what India, China, Kenya and others are doing.

Planning Minister MA Mannan termed LDC graduation as an important milestone in Bangladesh's development journey.

"The LDC graduation process would not only generate better strategies and action plans, but also create a sense of ownership among all," he said.

Md Shahriar Alam, state minister for foreign affairs, said Bangladesh could become a bridge between the East and West in the aftermath of its LDC graduation.

Ahmad Kaikaus, principal secretary to the Prime Minister, said Bangladesh's

economy is strong and one of the country's greatest strengths is its huge domestic demand and supply.

Sharifa Khan, secretary of the ERD, said LDC graduation would enhance the country's image in the international arena, which would help attract foreign direct investment and expand the market for Bangladeshi goods and services.

While speaking as guest of honour, UN Resident Coordinator in Bangladesh Gwyn Lewis said a well thought-out, consultative, time-bound, action-oriented, and implementable transition strategy would be key for ensuring a sustainable LDC graduation.

Abdur Rouf Talukder, governor of Bangladesh Bank, said the enhanced capacity acquired through the graduation process would also enable the country to attain its other national development goals, including the sustainable development goals and Vision 2041.

Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, said the impending LDC graduation has generated more opportunities for investment and expanding the country's industrial base.

Dollar bounces as US economy sends mixed signals

REUTERS, London

embolden the Fed to go harder?" he said.

Harvey said the biggest price action could be in the British pound when finance minister Jeremy Hunt announces the government's budget plans later on Thursday. He is expected to raise taxes and cut spending, despite a looming recession, in an effort to bolster Britain's reputation with markets and cool inflation.

Sterling was down 0.35 per cent against the dollar to \$1.187, after rising earlier in the session. It was roughly flat against the euro.

Traders will also scrutinise speeches from numerous Fed officials on Thursday for hints about rate hikes.

Regional Fed Presidents Raphael Bostic, Loretta Mester and Neel Kashkari are all due to speak.

Hawkish remarks from Fed officials overnight added to doubts about a shift in policy, with San Francisco Fed President Mary Daly - until recently one of the most dovish officials - saying a pause was off the table.

The greenback rose 0.15 per cent against the Japanese yen on Thursday to 139.75 after falling earlier in the session.

It plunged 3.7 per cent on Thursday last week when US consumer inflation data for October came in lower than expected.

China's yuan fell 0.75 per cent to 7.154 per dollar as new Covid cases caused concerns that officials could order more lockdowns.

The Aussie dollar dropped 0.87 per cent lower at \$0.668, while the Kiwi fell 0.63 per cent to \$0.611.

Oil price falls on easing geopolitical tensions

REUTERS, London

Oil extended declines on Thursday as geopolitical tensions eased slightly and rising numbers of Covid-19 cases in China added to worries over demand in the world's largest crude importer.

Poland and NATO on Wednesday said a missile that crashed inside NATO member Poland was probably a stray fired by Ukraine's air defences and not a Russian strike, easing fears of the war between Russia and Ukraine spilling across the border.

"Thankfully, those fears have abated, and the situation de-

escalated, which has seen oil gains unwind," said Craig Erlam, senior market analyst at OANDA. "China remains a downside risk for oil in the near term."

Brent crude was down \$1.09, or 1.2 per cent, at \$91.77 a barrel by 1445 GMT. US West Texas Intermediate (WTI) crude slid \$1.61, or 1.9 per cent, to \$83.98.

China reported rising daily Covid-19 infections and Chinese refiners have asked to reduce Saudi crude volume in December, Reuters has reported, while also slowing Russian crude purchases.

"Struggling Chinese consumption

is embodied in sinking domestic need for both Russian and Saudi crude oil," said Tamas Varga of oil broker PVM.

While China's Covid caseload is small compared with the rest of the world, it maintains stringent policies to quash outbreaks before they spread, dampening fuel demand.

Oil gained some support from official figures that US crude stocks grew by a bigger than expected 5 million barrels in the most recent week.

Supply is also tightening in November as Opec and its allies, known collectively as Opec+, implement their latest output controls to support the market.

18 garment factories awarded

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setup. In addition, innovative practices were rewarded.

The subcategories included innovations for business development, worker welfare and the future.

Speaker of Jatiya Sangsad Shirin Sharmin Chaudhury handed over the awards to the winners at International Convention City Bashundhara in Dhaka.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said Bangladesh was globally acclaimed for its exemplary strides in workplace safety and leadership role in ensuring sustainability in the garment industry.

"We are proud to have the highest number of LEED certified green garment factories in the world," he said.

"We are committed to making every possible effort to promote sustainability in the RMG industry

of Bangladesh and take the sector to newer heights," Hassan said.

"I believe that while the Sustainability Leadership (TSL) award recognises the best practices...it will inspire others to adopt sustainable practices to strengthen the image of Made in Bangladesh in the global market as modern, safe, and green," he said.

Michael Klode, project manager, Textile Cluster, GIZ Bangladesh, acknowledged the successes achieved by stakeholders of the textile sector and underlined the commitment of German development cooperation towards establishing sustainability practices in Bangladesh.

"Germany, ranking as number 1 importing country of textile Made in Bangladesh in the EU, is committed to continue supporting compliant factories alongside our partners," he said.

"Our TSL award winners, the frontrunners of a thriving sector, are

lighting the way ahead," he said.

The presentation of the TSL awards were a part of the Made in Bangladesh Week 2022 celebrating the country's textiles.

The award was jointly organised by the BGMEA and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, which is supporting the German government in facilitating international cooperation for sustainable development.

The winners are Vintage Denim Studio, Ananta Garments, Epyllion Knitwear, Envoy Textiles, Color City, Matin Spinning Mills, SIMCO Spinning and Textiles, KARUPANNYA Rangpur, Beximco Recover and Square Fashions.

The runners-up are Echotex, Pacific Jeans, Flamingo Fashions, Zaber & Zubair Fabrics, Universal Jeans, KARUPANNYA Rangpur, JM Fabrics, Jinnat Fashions and SQ Celsius.

No chance of famine

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should be seriously looked into to avert any future crises, he said.

According to media reports, the ineligible has been brought under social safety net programmes leaving out those truly in need and so these irregularities should be addressed, Raihan said. He said the major concern arising from the current economic crisis was high inflation and the risk to food security.

Inflation has been hovering between 6 per cent to 9.5 per cent since February. In reality, the inflation is at a higher level but there is also a debate that it is being portrayed as being low, he said.

The inflation rate in Vietnam, India and Indonesia is lower than that of Bangladesh. In October, India recorded 6.77 per cent, Indonesia 5.71 per cent and Vietnam 4.30 per cent. In Bangladesh it was 8.91 per cent.

Highlighting findings of a series of surveys on workers of the export-oriented garment industry, the SANEM executive director said food security of garment workers was under threat.

In other words, the garment workers and their children are eating less than before, he said.

He said workers' monthly wages have also fallen as they were having to accept working lesser hours for a decrease in work orders.

Weaker taka brings

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Garment shipment, which accounts for about 85 per cent of national exports, went down by 7.52 per cent to \$3.16 billion in the month, according to data from the Export Promotion Bureau. The contraction came as European and American buyers continue to struggle amid higher consumer prices.

Inflation in the 19-member eurozone surged to 10 per cent in September, the highest on records. In the US, it was 8.2 per cent, hovering near the highest levels since the early 1980s.