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BUSINESS



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Launch campaigns at grassroots to boost tax PM asks taxmen

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday asked the National Board of Revenue (NBR) to launch campaigns at the grassroots level and motivate people to pay tax as the country's socioeconomic condition has improved radically in the last 14 years.

"If you carry out campaigns there [at the upazila and union levels] in a good manner, people will spontaneously come forward [to pay tax]. They [taxpayers] are now getting services. So, people will pay tax to avail the services," Hasina added.

The premier made this comment while inaugurating the Revenue Conference 2023 at the Bangabandhu International Conference Centre in Dhaka.



Prime Minister Sheikh Hasina

The NBR organised the two-day conference, which is the first of its kind, to develop the country's revenue management system.

Hasina then said the socioeconomic condition of the people of the country, including grassroots people, has witnessed a radical change in the last 14 years.

"So, there are people at the upazila and even union levels that have the capacity to pay tax," she added.

In this context, she asked all the capable people of the country to pay tax as the government would spend the money to enhance services for them.

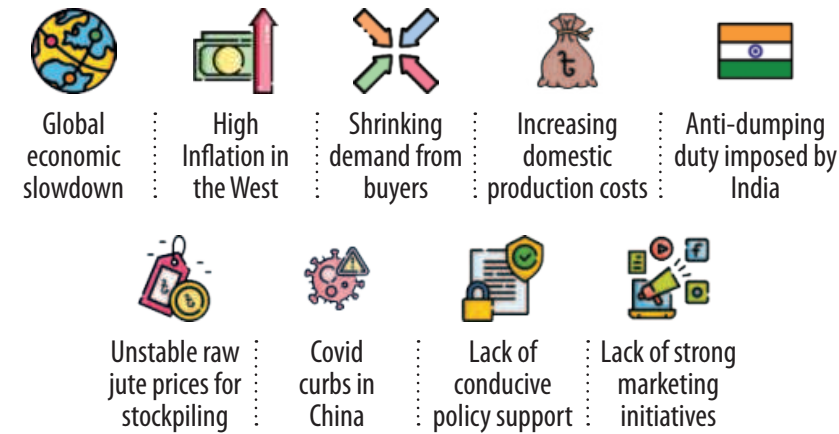
The prime minister went on to say that the government wants to expand the tax net instead of increasing the tax rate amid the existing inflation.

"We'll have to increase the number of taxpayers," she said.

The number of income taxpayers is still very low in the country mainly because the people face

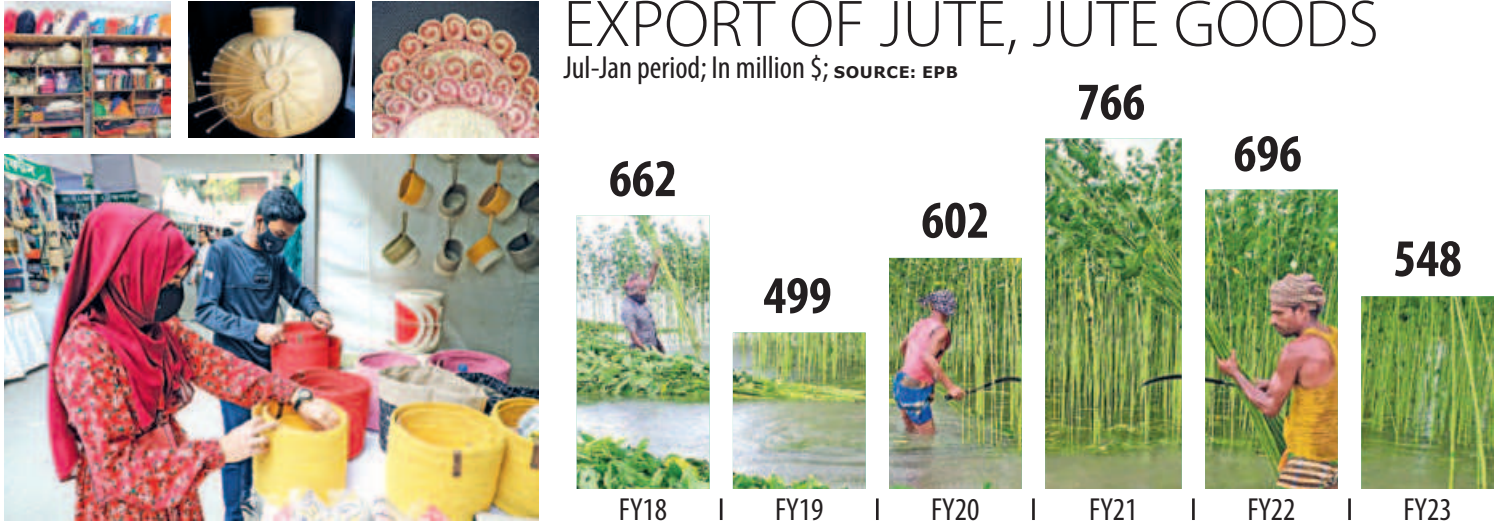
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WHY JUTE EXPORTS DECLINING...



EXPORT OF JUTE, JUTE GOODS

Jul-Jan period; In million \$; SOURCE: EPB



No respite from jute export slump

Shipment drops for 2nd straight year in Jul-Jan period

MD ASADUZ ZAMAN and SOHEL PARVEZ

Earnings from jute exports from Bangladesh slumped for the second consecutive year in July-January, raising concerns for the promising industry, one of the few sectors for which raw materials are locally available.

Due to the global economic slowdown, shrinking demand, increasing domestic production cost and the persisting anti-dumping duty imposed by India played a part in dragging exports down, industry insiders and economists say.

The country's jute industry fetched \$548 million by selling jute and jute-made products in the first seven months of the current financial year of 2022-23, down 21.22 per cent year-on-year, data from the Export Promotion Bureau showed.

In the same period of 2021-22, the export receipts stood at \$696 million, also a decrease of 9 per cent from a year prior.

"Jute exporters are struggling to sustain in the global market even after cutting prices, owing to the shrinking global demand,"

said Mohammed Mahbubur Rahman Patwari, a former chairman of the Bangladesh Jute Spinners Association (BJSa).

Bangladesh exports raw jute, jute yarn and twine, sacks and

100,000 tonnes as carpet makers have cut production in the face of falling demand for the products because of the war in Ukraine and the slowdown in the global economy.



bags, and jute-made products.

Local industries mainly export jute yarns to Turkey, China and India.

The jute yarn export suffered because of a dip in demand among carpet makers, the main user of the item, said Helal Ahmed, chief operating officer of Janata Jute Mills and Sadat Jute Industries Ltd.

Bangladesh usually exported 220,000 tonnes of yarn to Turkey, the key market. But the shipment to the country declined by nearly

A section of carpet makers has shifted to using alternative yarn owing to the higher prices of jute yarn, said Ahmed.

Orders from China have decreased due to the coronavirus-related lockdowns as Chinese companies could not run their export activities properly after importing yarn from Bangladesh.

Both Patwari, also the managing director of Sonali Aansh Industries Limited, and Md Abul Hossain, chairman of the Bangladesh Jute Mills

Association, blamed the policy of persisting anti-dumping duty issued by the Indian government for the low export performance.

"The anti-dumping duty is a major problem for local jute exporters," said Hossain.

In December, India extended the anti-dumping duty on jute products imported from Bangladesh by five years.

Hossain also blamed the effects of the coronavirus pandemic and the ongoing Russia-Ukraine War.

"We were exporting to Russia and Ukraine, but these markets are not accessible now," he said.

Jute millers cited the country's high production cost stemming from high energy prices, driven by the spike in both gas and electricity tariffs.

As a result, a number of jute textile millers have been either forced to shut down their factories or operate below their capacity, they said.

"I have been forced to cut production by half to avoid incurring losses," said Md Saiful Islam, managing director of Mazeda Jute Industries.

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BB to offer new tool for cash support to Islamic banks

AKM ZAMIR UDDIN

Bangladesh Bank will introduce another tool to provide liquidity support to cash-strapped Shariah-based banks in order to safeguard their ailing financial health.

Under the new window, the banks will be able to get liquidity support from the central bank in the form of collateral against funds, which they initially provide to receivers of remitters as an incentive for attracting remittance.

A Bangladesh Bank official explained that banks provide an incentive of 2.5 per cent on the amount of remittance to clients, after which the lenders usually get back the fund from the government after three months.

This means the funds provided by banks get stuck for a certain period.

Thanks to the central bank's window called Mudarabah Liquidity Support (MLS), Shariah-based banks will be allowed to use the amount during the three months.

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GDP grows 7.1% in FY22 But remains below provisional estimate

STAR BUSINESS REPORT

Bangladesh logged higher growth in gross domestic product (GDP) in 2021-22 fiscal year compared to the previous year, but it was 15 basis points below the provisional estimate.

The economy grew by 7.1 per cent in 2021-22 fiscal year, up from 6.94 per cent the previous year.

However, the provisional GDP growth rate figure was 7.25 per cent for FY22, according to data released by Bangladesh Bureau of Statistics yesterday.

Similarly, the state-owned statistical agency revised downwards the per capita GDP of the country to \$2,687 from \$2,824.

The GDP size also increased to \$470.22 billion in FY22, which was \$416.26 billion the previous year.

STOCKS			
	DSEX ▼	CASPI ▲	
	0.13%	0.01%	
	6,286.53	18,586.84	

COMMODITIES			
	Gold ▼	Oil ▼	AS OF FRIDAY
	\$1,865.94	\$73.20	
	(per ounce)	(per barrel)	

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▲ 1.52%	▲ 0.39%	▲ 0.61%	▼ 0.68%
	60,841.88	27,509.46	3,384.29	3,263.41

VAT-GDP ratio low for exemptions for major sectors: NBR

STAR BUSINESS REPORT

Bangladesh's VAT-GDP ratio is not improving to a satisfactory level as the country's major sectors involved with goods and services are largely enjoying VAT exemptions, according to the National Board of Revenue (NBR).

"Almost 50 per cent of goods and services are covered by VAT exemptions, which is contributing to a low VAT-GDP ratio in the country," said Syed Mushfequr Rahman, commissioner, Customs, Excise & VAT Commissionerate, Chattogram division.

Other major reasons include the prevalence of a culture of evading tax payments, inadequate infrastructure and a lack of skilled manpower, automation and good governance, he said.

Rahman was addressing a seminar on VAT's contribution to national development at "Revenue Conference 2023" organised by the NBR in Bangabandhu International Conference Center yesterday.

The NBR has a list of 489 products exempted from VAT alongside 50 services, he said.

However, the VAT-GDP ratio will increase significantly if these exemptions are further rationalised, he added.

The main obstacles to proper VAT collection include exemption of VAT at different rates at different levels and misunderstandings over the VAT law, he added.

The NBR should expand its tax net countrywide, suggested Mostafa Azad Chowdhury Babu, vice-president of the Federation of Bangladesh Chambers of Commerce and Industry.

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Bangladesh is the seventh largest producer of potato in the world and exports less than 100,000 tonnes out of its annual production of nearly one crore tonnes.

PHOTO: STAR/FILE

Potato export to Russia to resume this year Razzaque says

STAR BUSINESS REPORT

Bangladesh will start exporting potatoes to Russia again this year as the latter has lifted a ban imposed on the entry of tubers from this south Asian nation last year, said Agriculture Minister Muhammad Abdur Razzaque yesterday.

Russia slapped the restriction on Bangladesh's potatoes owing to the detection of brown rot disease in 2014.

Subsequently the government took several measures to ensure production of safe and disease-free potato.

"We have taken initiative to export potato to Russia. Export will begin this year," Razzaque said in a statement issued after a meeting with Russian Ambassador to Bangladesh

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