

Idcol to get €140.5m German loan

Funds to be used in renewable energy, efficiency projects

STAR BUSINESS REPORT

Infrastructure Development Company Limited (Idcol) signed two agreements with German development bank Kreditanstalt für Wiederaufbau (KfW) yesterday to avail a loan of €140.5 million.

Of the fund, €41 million is for the disbursement of loans among companies undertaking energy efficiency projects and €99.5 million for renewable energy projects.

In a statement, Idcol said it would be acting as the projects' "executing agency". The energy efficiency fund will focus on methods such as extensions or replacement of equipment and machinery to reduce final energy consumption and related carbon dioxide emission by at least 20 per cent.

The renewable energy fund will focus on solar irrigation and solar grid-tied and biogas (domestic and commercial) projects.

"KfW has been a long-term development partner for Idcol in financing renewable energy projects," said Alamgir Morshed, executive director and chief executive officer of Idcol, at the signing ceremony in The Westin Dhaka.

"Idcol has been a key implementing agency for the development of energy efficiency and renewable energy projects in Bangladesh. KfW is looking forward to working with Idcol in future projects," said Michael Sumser Hellstern, director of KfW Bangladesh. Sharifa Khan, secretary to Economic Relations Division and chairman of Idcol, was present.

India to ban China-linked betting, loan lending apps

REUTERS

India's Ministry of Electronics and Information Technology (MeitY) has begun a process to ban and block 138 betting apps and 94 loan lending apps with Chinese links, India's ANI reported on Sunday, citing sources.

The Ministry of Home Affairs recommended the MeitY ban and block these apps by the coming week under Section 69 of India's IT law, the report said.

The IT law allows the government to block public access to content in the interest of national security, among other reasons. Orders issued under the section are generally confidential in nature.



Through a process called rubber tapping, latex is collected from rubber trees using pails such as this before being processed into usable material. Among other demands, rubber makers have asked for higher import duty on the product in order to protect the local industry.

PHOTO: MINTU DESHWARA

Declare rubber as agricultural commodity

Producers place 11-point demand

STAR BUSINESS REPORT

The Bangladesh Rubber Garden Owners Association yesterday presented an 11-point demand, which includes recognising rubber as an agricultural product, in a bid to help expand the local industry by removing existing hurdles.

The BRGOA raised its demands at a press conference held at the Jatiya Press Club, where Syed Moazzam Hossain, an advisor of the association and director of the Federation of Bangladesh Chambers of Commerce and Industry, presented the keynote speech.

The event was moderated by BRGOA President Muhammad Haroon, who presented the 11-point demand. Other than calling for the declaration of rubber as an agricultural commodity, the association also urged for the withdrawal of value-added tax on locally produced rubber products.

Additionally, it asked the relevant authorities to increase the import duty on rubber to protect the local industry, stop arbitrary use of headman reports, illegal encroachment, land transfer and

registration, and to establish a Rubber Research Institute.

In his speech, Hossain said that rubber is known as the white gold of Bangladesh as the domestic demand for rubber products is increasing in industries such as those that make tires, tubes, shoes, hoses, sporting goods and so on.

Although other rubber producing countries have recognised it as an agricultural product, the same cannot be said for Bangladesh. As a result, rubber makers in the country are being deprived of all the incentives provided for agro-produce, he added.

With this backdrop, the BRGOA demanded that rubber be recognised as an agricultural product and also called for technical assistance and financial incentives for the development of the sector.

Hossain then pointed out that the local rubber industry is facing extinction due to land robbers and other unlawful forces that have claimed several plantations along the Chittagong Hill Tracts. As such, he called for strict surveillance and more assistance from the authorities concerned

in this regard.

The government should take initiatives in order to sustain the rubber industry.

"Our production activities are currently being conducted with seedlings imported in the 60s, but due to the low yield capacity of such seeds, our entrepreneurs are facing financial losses," he said.

Considering the situation, Hossain urged for cooperation from the relevant authorities, especially the agriculture ministry, in importing high-yield seeds from other countries.

He also urged for guaranteeing low interest bank loans for entrepreneurs in the sector and increasing the import duty on rubber from the existing 25 per cent to protect local producers.

Hossain went on to say that a "Rubber Research Institute" with modern facilities should be established to enhance research activities for the development of the sector.

Md Mansoor Alam, secretary general of BRGOA, Mohammad Kamal Uddin, former president, Zahurul Islam, vice president, and other leaders of the organisation were also present at the press conference.

Int'l transactions made easier for service exporters

STAR BUSINESS REPORT

The central bank has instructed banks to provide exporters' retention quota (ERQ) account services to service exporters to help them carry out international transactions.

The move is aimed at facilitating ICT companies, freelancers and other cross-border service providers to bring their income in foreign currency into the country, according to a notice of the Bangladesh Bank yesterday.

In Bangladesh, exporters are allowed to keep a portion of their earnings in the ERQ accounts to settle back-to-back letters of credit liabilities without facing exchange losses.

In addition to traditional banking channels, authorised dealers can provide facilities to repatriate inward remittances against ICT and other services channelled through online payment gateway service providers, payment service aggregators, payment facilitators, digital wallets, and other legitimate payment systems.

Licensed mobile financial service providers are also allowed to fetch inward remittances against ICT services.

Foreign currency out of inward remittances can be credited to ERQ accounts up to a prescribed limit. ADs can also issue international credit, debit and prepaid cards against the balances held in ERQ accounts.

The notice also said ADs have been also advised to issue international credit, debit and prepaid cards for nominated officials of companies, and freelancers against the balances in the ERQ accounts for online payments abroad against authentic requirements.

Non-ADs providing banking services to freelancers have been asked to make arrangements with ADs, central trade processing centres, head offices and principal offices to open ERQ accounts and issue international cards.

ADs providing settlement account services to MFS providers will need to open ERQ accounts and issue international cards to freelancers, said the BB.

Japan needs stable, sustained inflation: official

REUTERS, Tokyo

Japanese Deputy Chief Cabinet Secretary Seiji Kihara on Sunday stressed the need to achieve an economy where inflation rises stably and sustainably, when asked whether the next central bank governor should maintain ultra-easy monetary policy.

"What's important is to create economic conditions where prices rise stably and sustainably," Kihara told a television programme.

"As for the next BOJ governor, the prime minister will choose who he thinks is the most appropriate person," he said. "It's important for monetary, and the broader macro-economic policy, to be stable."

Launch campaigns at grassroots

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many hassles and there is a lack of awareness in this regard.

"There should be no coercion. The people should not be put into any fearful situation. The people will have to be motivated," she added.

Hasina asked the people to run their businesses properly, ending tax evasion.

Pointing to NBR officials and employees, the premier asked them to perform their professional duties with a mindset to serve the people.

She urged the authorities concerned to take steps to raise revenue collection by working sincerely to this end.

"We have to expand the tax net and motivate people so that a larger number of them pays tax," Hasina said.

The two-day revenue conference seeks to raise awareness about VAT, customs, income tax and online services.

Three seminars on VAT, customs and income tax will take place on the sidelines of the conference, where there will be information booths to make people aware of tax-related issues.

Abu Hena Md Rahmatul Muneem, chairman of the NBR, and Abdul Mannan Shikder and Pradyut Kumar Sarkar, members, also spoke on the

occasion.

PM OPENS NEW REVENUE BHABAN

On Sunday, the premier opened the newly constructed Revenue Bhaban in the city's Agargaon area, which would be used as the NBR head office.

She unveiled the name plaque of

the 12-storey building and visited

the Revenue Bhaban in the morning.

The Public Works Department constructed the modern and eye-catching building at a cost of Tk 412 crore.

The NBR will fully start office in the new building from March 1, 2023.



Prime Minister Sheikh Hasina visits a stall at the Revenue Conference 2023 at the Bangabandhu International Convention Centre in Dhaka's Agargaon yesterday.

PHOTO: BSS

VAT-GDP ratio low

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"The NBR should not put pressure on businesses which are already under the tax net," he said.

The NBR's initiatives of installing three lakh electronic fiscal devices (EFDs) should be expedited at retail and wholesale stores across the country, he said.

Addressing as chief guest, Commerce Minister Tipu Munshi said the NBR would have to face

major challenges in the coming future once Bangladesh makes the United Nations status graduation form a least developed to a developing country.

"The NBR should put emphasis on increasing the collection of income tax and expand the tax-GDP ratio," he said.

Abu Hena Md Rahmatul Muneem, chairman of the NBR, chaired the event.

Potato export

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Alexander Vikentyevich Mantyskiy at Bangladesh Secretariat.

Bangladesh is the seventh largest producer of the vegetable and it exports less than 100,000 tonnes out of its annual production of nearly 1 crore tonnes.

Razzaque said the Russian authorities also expressed interest in importing cauliflower, cabbage and mangoes from Bangladesh.

Europe in crossfire of US-China economic rivalry

AFP, Paris

The economic confrontation between the United States and China has put Europe in the crossfire, with Washington's plan to boost green industries threatening to cause collateral damage to a key ally.

The United States has adopted the Inflation Reduction Act (IRA), which contains \$370 billion in sweeping investments, subsidies and tax cuts to reduce greenhouse gas emissions, making it the largest-ever US programme to combat climate change.

But some of its provisions have been criticised by European Union officials as discriminatory against European carmakers, with some saying it smacks of protectionism.

French Economy Minister Bruno Le Maire and his German counterpart Robert Habeck travel to Washington to meet Treasury Secretary Janet Yellen on Tuesday and try to resolve the impasse.

EU leaders will hold a summit



later in the week that aims to begin crafting a response to the US measures.

The IRA aims to bolster green industries that will be key to the future economy, such as the manufacturing of batteries and solar panels.

US firms will be able to receive subsidies similar to those their Chinese rivals receive, on the condition that they manufacture domestically.

"One of the key objectives of the IRA is to exclude Chinese suppliers

from clean energy supply chains," said Tobias Gehrke, a fellow at the European Council on Foreign Relations.

He said the priority was reducing US dependence on Chinese imports.

China dominates the electric vehicle sector, with 78 per cent of the global production of battery cells and three-quarters of the big plants to manufacture the lithium-ion batteries they use, according to a study by the Washington-based Brookings Institution.

BB to offer new tool for cash support

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The central bank will issue a notice today to this end.

Shariah-based banks will also get liquidity support against the government's stimulus packages. The lenders use the packages to offer loans to companies to counter the pandemic's adverse effects.

The banks first disburse the funds among borrowers from their own pockets and they get back the funds under the stimulus packages from the central bank after three months.

Shariah-based banks will keep the amount as collateral for use as liquidity support from the central bank.

The lenders will be allowed a

maximum of 90 per cent of funds of their disbursed cash incentives and loans under the stimulus packages.

Two stimulus packages, which the central bank has introduced for large borrowers and small and medium enterprises (SMEs) respectively, will be used to get funds from the BB.

The repayment tenures of the MLS are seven, 14, and 28 days. A bank will have to take at least Tk 10 each time.

The lenders will have to pay a profit-sharing ratio equivalent to a three-month fixed deposit scheme they offer.

In December last year, the central bank introduced another tool named "Islamic Bank Liquidity Facility"

in order to help the Shariah-based lenders that faced a liquidity crunch.

In addition, the BB also provided a large amount of fund to the banks on the last week of December under a "lender of the last resort" facility.

There are 10 Shariah-based banks in Bangladesh, some of which are now facing liquidity stress amid withdrawal pressure of deposits after the revelation of financial scams in those institutions.

The banks that got liquidity support under the latest central bank tools are Islami Bank Bangladesh, First Security Islami Bank, Social Islami Bank, Union Bank, and Global Islami Bank.