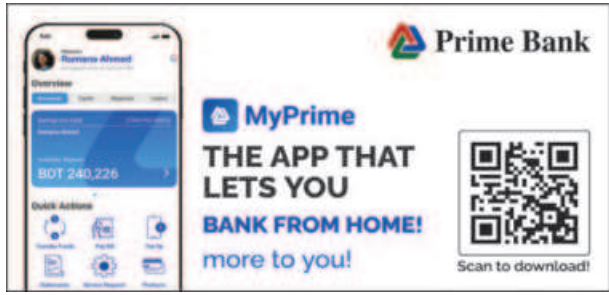


# Star BUSINESS



## Cut duties on essentials CPD says in budget proposal for FY2024

STAR BUSINESS REPORT

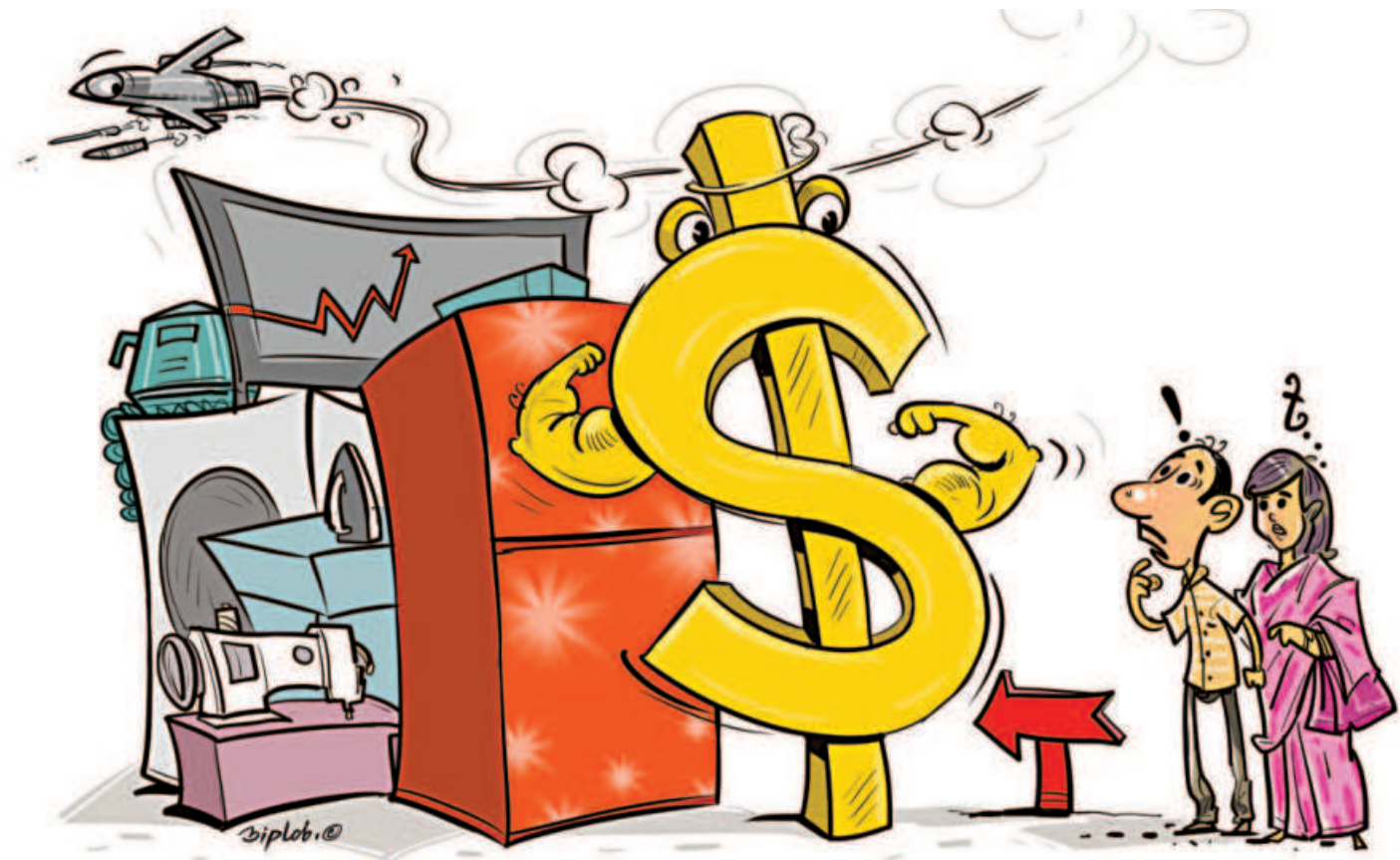
The Centre for Policy Dialogue (CPD) has urged the government to reduce the duties and taxes, both at import and domestic levels, on essential commodities in order to provide some respite to consumers with low and limited income amid higher inflation.

Although duties and taxes on sugar were reduced recently, a CPD analysis shows that at least 28 imported essential food items still face a high incidence of tax.

"We propose that such taxes should be reconsidered, especially in view of the cost-of-living crisis prevailing in the economy at present," said the think-tank in its budget proposals submitted to the National Board of Revenue (NBR) on Tuesday.

In the 2022-23 budget, the personal income tax structure has remained generally unchanged from the one introduced in 2021-22.

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## Consumer electronics sales plunge amid high inflation

JAGARAN CHAKMA

The consumer electronics sector in Bangladesh is witnessing a slide in demand as sales have declined by 40 per cent from a year ago amid belt-tightening by customers.

Retailers say consumers are reluctant to spend on luxury items amid the ongoing economic crisis and inflationary pains.

**REASONS FOR DECLINE**

- Depreciation of taka against US dollar
- Impact of Russia and Ukraine war
- High inflation and worsening of consumers buying power
- Up to 20% increase in prices
- Sales drop by up to 40% depending on the item



across the country. "Of them, 30 to 40 per cent are operating below break-even," said Karim.

Local manufacturers who dominate the market from urban to rural areas are facing the same situation as households don't have much disposable income.

Sales in the weeks to Ramadan usually pick up as retailers offer discounts. But the number of customers is very low this year, according to Karim.

Walton Hi-Tech Industries PLC, the country's largest consumer electronics manufacturer, recorded a massive slump in profit in 2022 although sales volume remained almost unchanged.

The company blamed the Russia-Ukraine war, higher inflation, and the price hike of the US for the drop in earnings.

"Our sales volume has remained the same despite the price spike of products thanks to the rise in raw material costs, shipping charges, and the depreciation of the taka," said Humayun Kabir, deputy managing director for marketing of Walton.

Singer Bangladesh registered its lowest profit in 14 years in 2022, owing to the increased cost of raw materials, higher freight rates, and the fall of the value of the taka.

The sales have remained the same as it was in the second half of 2022, said Kazi Ashiqur Rahman, company secretary of Singer Bangladesh.

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## TCB's sugar, lentil sales begin today

STAR BUSINESS REPORT

The Trading Corporation of Bangladesh (TCB) has announced that it would sell sugar at Tk 60 a kilogramme to one crore family cardholders during Ramadan.

The state-run agency will also sell lentils at Tk 70 a kg, soybean oil at Tk 110 a litre, chickpeas at Tk 50 a kg, and dates at Tk 100 a kg starting today, according to a press release.

Dates will be sold only in Dhaka city.

During the fasting month last year, the corporation sold sugar at Tk 55 a kg, lentils at Tk 65 a kg, soybean oil at Tk 110 a litre, and onion at Tk 30 a kg.

Meanwhile, general consumers in Bangladesh are still paying higher prices for sugar although more than a week has passed since the National Board of Revenue removed the import duty on both raw and refined forms of the sweetener.

Sugar was sold at Tk 115-120 per kg in Dhaka's kitchen markets yesterday, TCB data showed.

Although industry data on the sales of electronic home appliances is hard to come by, the sales records of companies, both foreign and local, pointed to the slump in demand.

Major players in the domestic consumer electronics market are Walton, Transcom Digital, Rangs Electronics, Rangs Toshiba, Best Electronics, MyOne Electronics Industries, Jamuna Electronics, Pran RFL (Vision), Esquire Electronics, Electra International, and Super Star Group.

Foreign companies such as

Samsung, LG, General, Sharp, and Whirlpool are also popular among local consumers.

"The sales of electronic home appliances have declined by 30 to 40 per cent due to higher inflation and a spike in the price of electronic products," said Ritesh Ranjan, head of business at Transcom Digital.

The electronics home appliances market faced a slump in sales at the early stage of the coronavirus pandemic. But Ranjan said the situation is different this time.

"The price of electronic items has risen by 15 to 20 per cent because of the dollar price hike. Besides, consumers are reluctant to purchase non-essential items," he said.

The taka has lost its value by about 25 per cent against the US dollar in the past one year, led by the shortage of the American greenback.

The ongoing inflationary pressure has also impacted the consumer electronics market, Ranjan said.

Owing to escalated prices of

imported commodities and raw materials, inflation has stayed at an elevated level in Bangladesh for nearly one year.

Ranjan said the sector did well in 2022 despite a number of crises. "But the ongoing economic situation is not favourable for the market."

According to the senior executive, the demand for microwave ovens and rice cookers has not fallen that much. On the other hand, refrigerators and air conditioners are facing a decline in demand.

He hopes the sales of air conditioners will increase this month as temperatures might start to rise as summers approach.

Md Manzurul Karim, general manager of Esquire Electronics, the sole distributor of Japanese electronic brands General and Sharp, said the sales of consumer electronics items have gone down by around 50 per cent as most people can't afford luxury items.

"Corporate clients have kept the business alive."

Esquire Electronics has 80 outlets and more than 400 distributors

## Fast-track projects see better implementation

REJAUL KARIM BYRON and AHSAN HABIB

Implementation of eight fast-track projects under the Annual Development Programme (ADP) was at a good pace in the first seven months of the current fiscal year of 2022-23 while that of other projects was slower.

Spending under some fast-track projects was even higher than that of their allocations, so the government raised their allocations in the revised ADP in the last National Economic Council (NEC) meeting.

However, spending under the Rooppur nuclear power plant project was lower than its allocation. As a result, the allocation was reduced.

Apart from the eight projects, the government raised allocations in the revision for other mega projects that witnessed spending in excess of their allocations.

In the seven months, 44.21 per cent of the allocations for the eight projects was spent while overall ADP implementation stood at 28 per cent, according to data from the planning ministry.

In other words, the projects saw Tk 14,403 crore being spent in the period whereas the allocation was Tk 32,578 crore, the data shows.

The government's policy is to complete the mega projects as quickly as possible and so, the ones which witnessed timely utilisation of allocations received higher financing, said a top ministry official.

Project implementation was lagging at the primary stage due to issues pertaining to procurement planning, tendering, land acquisition, and so on, said another official.

As most mega projects are nearing completion, their implementation rate is better, he added.

### ROOPPUR NUCLEAR POWER PLANT

The allocation was Tk 13,395 crore in the current fiscal year while 30 per cent, or Tk 4,021 crore, was spent.

The allocation was reduced to Tk 11,139 crore in the revised ADP.

The government is working with the Russian government to bring ease to payments. In spite of the challenges, the physical works have progressed as per schedule, according to a ministry official.

### PADMA BRIDGE

The bridge is already open for movement of vehicles but some of the final touches are yet to be made, including river training.

Of the total project cost of Tk 30,193 crore, around 96 per cent was spent within last January.

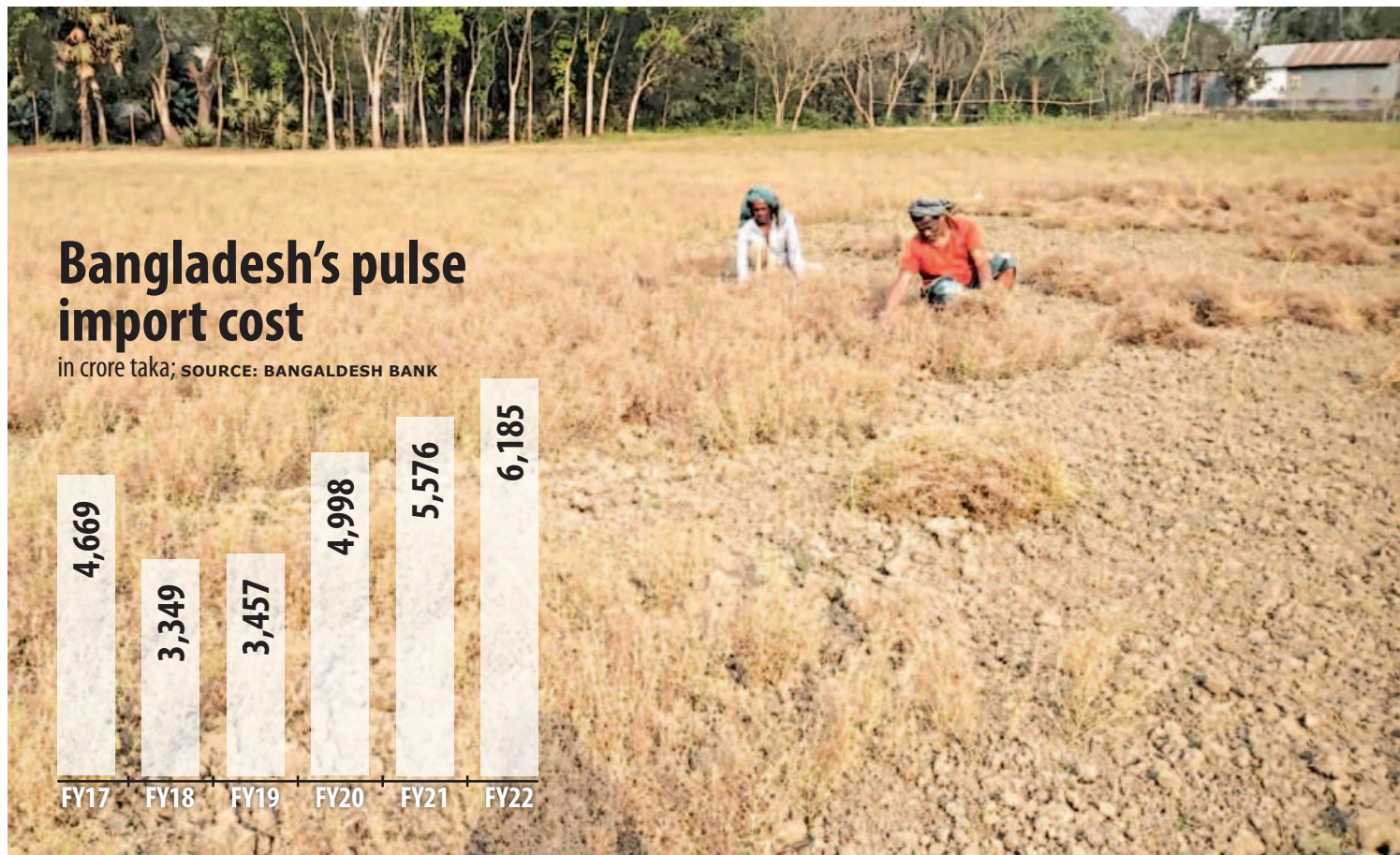
The allocation in the project was Tk 2,202 crore in the current fiscal year while spending stood at Tk 810 crore. Now, the allocation of the project has been revised down to Tk 1,402 crore.

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STOCKS		AS OF TUESDAY
DSEX ▲	CASPI ▲	
0.04%	0.08%	
6,262.31	18,445.59	

COMMODITIES	
Gold ▼	Oil ▼
\$1,813.39 (per ounce)	\$77.25 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.21%	▲ 0.48%	▼ 0.57%	▼ 0.05%
60,348.09	28,444.19	3,226.86	3,283.25



Farmers in Charbhadrasan upazila of Faridpur harvest bushes of lentil plants containing pods in which the seeds grow. Around 5 to 6 maunds (one maund equals around 37 kilogrammes) of the legume are expected to be availed from 52 decimals of land (100 decimals equals one acre) through an investment of Tk 6,500. Each maund is selling for Tk 3,500 in local markets. The photo was taken at BS Dangi village yesterday.

PHOTO: SUZIT KUMAR DAS

## Pulse import cost rising amid scanty local production

MD ASADUZ ZAMAN

The import cost of pulses in Bangladesh is on the rise due to increased consumption, inadequate domestic production and higher prices in the international markets.

A sharp depreciation of the taka against the US dollar in the past one year and a surge in freight costs have also contributed to the higher import prices of one of the most popular kitchen items in the country.

The crop also can't compete with other more profitable agricultural items. Besides, there is a lack of government focus aimed at raising pulse production, experts and market operators say.

In the last fiscal year of 2021-22, Bangladesh spent Tk 6,185 crore to import pulse, an increase of 11 per cent year-on-year, according to Bangladesh Bank.

Pulse production has retained an upward trend over the years, but the output did not rise in line with the growing demand.

Farmers produce 4.25 lakh tonnes of pulses in 2020-21, up from 3.97 lakh tonnes in the previous year, data from the Bangladesh Bureau of Statistics showed.

Every year, Bangladesh needs to import

12 lakh tonnes to 13 lakh tonnes of pulses, including lentils, chickpeas and green gram beans.

"Domestic consumption is increasing. And the import costs have shot up due to the taka's depreciation and high freight costs," said Abul Bashir Chowdhury, chairman of BSM Group, one of the top importers of consumer goods.

The price of pulses in the international market has increased significantly, forcing importers to pay more since a 25 per cent fall in the value of the local currency against the US dollar has made the sourcing of products from the external markets expensive.

Chowdhury says no major step has been taken to give a much-needed boost to pulse cultivation. So, around 5 lakh tonnes of lentils, 6 lakh tonnes of green peas and 2.30 lakh tonnes of chickpeas are imported annually.

He suggested the government take up a plan to cut the pulse import.

Faria Yasmin, business director of ACI Foods and Commodity Brands, said the high price of the domestic pulse has driven consumers to turn to imported ones, pushing up the imports of the item.

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