



A farmer tends to his field of *Salvia hispanica*, a flowering plant in the mint family producing chia seeds, at Hatibandha upazila in Lalmonirhat. The seeds are said to reduce appetite and weight, lower triglycerides and improve blood sugar levels in type 2 diabetes, for which there is a lot of demand in the market. Around 3 to 4 kilogrammes (kg) can be harvested from one decimal of land (100 decimals equal one acre) at a cost of Tk 200 to Tk 300 and each kg can fetch Tk 600. The photo was taken at Dakalibandha village on Sunday.

PHOTO: S DILIP ROY

China promises Sri Lanka deal on debt treatment in coming months

REUTERS, Colombo

The Export-Import Bank of China has told Sri Lanka it will try to finalise in the months ahead how it treats debt owed by the crisis-hit nation, according to a letter seen by Reuters which also reiterated a moratorium for debt due in 2022 and 2023.

The International Monetary Fund said on Tuesday that Sri Lanka had secured financing assurances from China, India and all its major bilateral creditors, setting the stage for final approval of the IMF's \$2.9 billion, four-year bailout for the island nation on March 20.

Sri Lanka is facing its worst economic crisis in more than seven decades and a shortage of dollars has disrupted imports of essentials, though the situation has improved this year from last year when protesters ousted its president.

China has extended its "firm support to Sri Lanka through a debt treatment", EXIM Bank wrote in the letter to the Sri

Lankan government on March 6.

The bank's Vice President, Zhang Wencai, said in the letter that the island nation would not have to immediately repay the principal and interest due on its loans for the two years, "so as to help relieve your short-term debt repayment pressure".

"Meanwhile, we would like to expedite the negotiation process with your side regarding medium- and long-term debt treatment in this window period, with a view to finalising the specifics of a debt treatment in the coming months. We will make our best efforts to contribute to the debt sustainability of Sri Lanka."

The letter mirrors what EXIM Bank sent to Sri Lanka in January, except for the target of finalising debt-treatment specifics in the coming months.

By end-2020, Sri Lanka owed EXIM \$2.83 billion, or 3.5 per cent of its external debt, according to IMF data.

The letter added that China would call on "commercial creditors to provide debt treatment in an equally comparable

manner and encourage multilateral creditors to do their utmost to make contributions to help you better respond to the crisis and emerge from it".

A Chinese foreign ministry spokesperson confirmed the contents of the letter.

"It fully reflects our sincerity and efforts to support Sri Lanka in achieving debt sustainability, and we hope that relevant parties will respond positively to Sri Lanka's loan application as soon as possible," Mao Ning told a regular news conference. Winning the support of China, the world's and Sri Lanka's biggest sovereign creditor, was crucial for the IMF deal to go ahead.

Sri Lankan President Ranil Wickremesinghe told parliament on Tuesday that the government received the China letter on Monday night and soon after, he and the central bank governor sent a letter of intent to the IMF.

A source at Wickremesinghe's office said the president had been expecting the

letter from EXIM Bank on Thursday.

"Sri Lanka has been talking, discussing and negotiating with China EXIM Bank for weeks, mostly virtually, because that was what we were tasked with doing," said the source, declining to be identified as he was not authorised to talk to the media.

He said the support from the international community, especially Japan and the United States talking to the Chinese government, helped Sri Lanka. Sri Lanka's case was also boosted by a G20 meeting in India last month, said the source.

Sri Lanka cabinet spokesperson and transport minister, Bandula Gunawardena, told a weekly news briefing that the possible final IMF approval was a "great achievement".

"Sri Lanka has worked hard and spent months to fulfill requirements for the IMF programme, at certain times the president engaged at personal level to get support," he said.

"Without the IMF programme, Sri Lanka cannot turn around its economy."

Mercantile Bank, ITFC sign deal

STAR BUSINESS DESK

Mercantile Bank and International Islamic Trade Finance Corporation (ITFC) recently signed a master murabaha agreement facilitating cross-border trade of small and medium enterprise (SME).

Md Quamrul Islam Chowdhury, managing director of the bank, and Nazeem Noordali, chief operating officer of the ITFC, a member of Islamic Development Bank Group, inked the deal at The Westin Dhaka, said a press release.

"This agreement paves the way for the ITFC's continued commitment to supporting the development of trade in OIC (Organisation of Islamic Cooperation) member countries, particularly in challenging times like these," said Nazeem Noordali, chief operating officer of the ITFC.

Abdihamid Awais Abu, general manager of trade finance of the ITFC, Mati Ul Hasan, additional managing director of the bank, Shamim Ahmed, deputy managing director, and Mohammad Iqbal Rezwana, senior executive vice-president, were present.

Fed mulls bigger rate hikes

AFP, Washington

The United States is prepared to speed up interest rate hikes — and could raise them higher than anticipated — if needed to cool inflation and a strong jobs market, Federal Reserve Chair Jerome Powell said Tuesday.

An "unseasonably warm" January across much of the country was likely behind the robust employment, consumer spending, manufacturing and inflation figures, which pointed to a partial reversal of earlier softening trends, Powell told the Senate Banking Committee.

"If the totality of the data were to indicate that faster tightening is warranted, we would be prepared to increase the pace of rate hikes," he said.

He added that the "ultimate level of interest rates" is likely to be higher than previously anticipated as well.

Stocks fell sharply following Powell's comments, with the Dow Jones Industrial Average closing 1.7 per cent lower.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 6, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	3.85 ↑
Coarse rice (kg)	Tk 46-Tk 50	-4 ↓	2.13 ↑
Loose flour (kg)	Tk 58-Tk 60	3.51 ↑	68.57 ↑
Lentil (kg)	Tk 95-Tk 100	0	0
Soybean (litre)	Tk 168-Tk 172	0	0
Potato (kg)	Tk 18-Tk 20	-24 ↓	8.57 ↑
Onion (kg)	Tk 30-Tk 40	0	-41.67 ↓
Egg (4 pcs)	Tk 42-Tk 45	-3.33 ↓	14.47 ↑
SOURCE: TCB			



Md Sazzad Hossain and Mohammad Ziaul Hasan Molla, deputy managing directors of Bank Asia, attended a "Financial Literacy Day" programme organised by the bank for the first time at Bank Asia Tower Branch in Karwan Bazar on Monday.

PHOTO: BANK ASIA

Bank Asia celebrates 'Financial Literacy Day'

STAR BUSINESS DESK

Bank Asia for the first time celebrated a "Financial Literacy Day" on Monday arranging different activities to raise customers' awareness and impart knowledge on financial matters and services.

As per the financial literacy guidelines of Bangladesh Bank, the day is celebrated on the first Monday of March each year.

Md Sazzad Hossain and Mohammad Ziaul Hasan Molla, deputy managing directors of the bank, inaugurated the programme at Bank Asia Tower Branch in Karwan Bazar, said a press release.



Emranul Huq, managing director of Dhaka Bank, virtually presided over a "Managers Meeting-2023" on Sunday. Mohammad Abu Jafar, additional managing director, AKM Shahnawaj, AMM Moyeen Uddin, Akhlaqur Rahman, Mostaque Ahmed, Sheikh Abdul Bakir and Darashiko Khasru, deputy managing directors, and Sahabub Alam Khan, chief financial officer, joined the meeting.

PHOTO: DHAKA BANK

Exporters demand cut in source tax

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"Owing to the higher tax deducted at source, exporters are finding it increasingly difficult to operate business amid the global crisis," the BGMEA argued.

The association asked the NBR to apply the current corporate tax rate during the assessment of dis-allowable expenses and other incomes.

Currently, the government has imposed a 12 per cent corporate tax on all garment industries and 10 per cent on green garment factories.

But during the assessment, the corporate tax rate applicable for private limited companies is imposed in the case of various incomes such as gains from assets disposal and dis-allowable expenses, said the BGMEA.

It said the NBR should withdraw the 10 per cent income tax imposed on the cash incentives and slashed the income tax deducted at source on the fee against the funds secured from the Export Development Fund to 10 per cent from 20 per cent.

The BGMEA said companies that don't enjoy bonded warehouse facilities should be allowed to open back-to-back letters of credit so that they can smoothly purchase inputs and raw materials from the domestic market.

A back-to-back LC involves

two letters of credit to secure financing for a single transaction. It is used primarily in international transactions.

There are 1,100 factories that are members of the BGMEA, the BKMEA, and the Bangladesh Terry Towel & Linen Manufacturers & Exporters' Association that don't have the bonded warehouse facility. More than 7 lakh people work there and their combined export receipts stand at about \$6.5 billion.

Users should be allowed to renew their bonded warehouse licence after every three years from two years now, said a BGMEA proposal.

NBR Chairman Muneem said the NBR would provide as much support as it needs to take the garment sector forward. He said that once completed, the VAT and the bonded warehouse automation projects would bring more benefits to businesses.

BKMEA for continuation of current corporate tax rate

BKMEA Executive President Mohammad Hatem urged the NBR to continue the existing corporate tax rate for another five years.

The government should retain the 12 per cent corporate tax for garment industries and 10 per cent for green garment factories for the five fiscal years. The same rate should be applicable while assessing other

incomes and disallowable expenses, it said.

The BKMEA demanded the removal of all duties imposed on the imports of solar panels and solar inverters with a capacity of more than 10 kilowatts, with a view to popularising renewable energies.

It recommended zero duty and VAT on the import of chemicals needed to set up effluent treatment plants.

Textile millers seek removal of taxes on fibre imports

The BTMA sought the scope to import all types of fibres, including recycled and manmade, in the upcoming fiscal year of 2023-24 without paying any duty and other taxes and any non-tariff barriers.

It requested the NBR to remove the VAT slapped on the collection of raw materials by deemed exporters to produce recycled fibres and later during the sales of the item to local millers.

It proposed VAT exemption on the fabrics manufactured from artificial fibre by power looms.

The BTMA said the provision of a 3 per cent to 5 per cent advance income tax levied on the import of machinery should be abolished.

The 2 per cent tax deducted on the payments of cotton purchased from the local sources should be withdrawn, it said.

Pulse import cost rising amid scanty

FROM PAGE B1

Locally grown lentil retails at Tk 130 to Tk 135 per kilogramme while the imported ones are selling at Tk 85 to Tk 90.

The government also imports pulses under its social safety net programmes.

AKM Mahbubul Alam, principal scientific officer of the Pulses Research Sub-Center in Gazipur, thinks mass awareness and specific work plans are needed to increase pulse cultivation.

"There are no specific plans for massive pulse cultivation as we see in the case of mustard."

This year, more than 2.5 lakh hectares of the land saw additional mustard cultivation and it was done without reducing the production of

paddy, according to the agriculture ministry.

"Farmers usually don't feel interested in cultivating the pulse grain as they don't get the outputs like high-valued crops within a

"Due to the crop competition, pulse production is low," Wais Kabir, a former BARC executive chairman

short time," Alam said, calling for incentivising farmers to boost production.

Debasish Sarker, director-general of the Bangladesh Agricultural Research Institute, said thanks to the relentless efforts of pulse scientists, many modern high-yielding varieties

have been developed, which deserves praise.

"It will be possible to increase the yield to 2.5 tonnes per hectare by cultivating these varieties and using appropriate technologies. Then more pulses will be produced from less land."

Per capita availability of pulse in Bangladesh is 28 grammes and per capita consumption stands at 17 grammes, much below than a daily minimum intake of 45 grammes prescribed by World Health Organisation.

Wais Kabir, a former executive chairman of the Bangladesh Agricultural Research Council, backed the government's focus.

"Due to the crop competition, pulse production is low," he said.