



Traders at a market in the Kadamtala area of Khulna town are seen selling watermelon purchased from farmers in Kuakata of Patuakhali. Watermelon grown in southern regions of Bangladesh can now reach markets faster than ever thanks to Padma Bridge. The fruit was selling for Tk 40-200 per piece when the photo was taken yesterday. PHOTO: HABIBUR RAHMAN

Businesses demand faster clearance of tax and VAT refund

STAFF CORRESPONDENT, Chattogram

Businesses in the port city yesterday said they have to wait long for getting refund of advance tax they paid earlier and demanded that the revenue collector expedite faster refund so that they can overcome the current challenges of liquidity crunch.

The appeal came at a pre-budget meeting organised by the Chittagong Chamber of Commerce and Industry (CCCI) at the World Trade Centre in Chattogram.

National Board of Revenue (NBR) Chairman Abu Hena Md Rahmatul Muneem and senior officials of the NBR attended the meeting.

In response, Muneem said they are working on solving these problems soon.

At the meeting, businesses also urged the tax authority to provide tax benefits so that they can overcome the ongoing challenges such as high cost of

production for rising prices and dollar crisis.

Muneem, however, said local industries should be self-reliant and competitive enough so that they can face any challenge stemming from Bangladesh's graduation from a least developed country in 2026.

He said the industries that need to be supported by tax and value-added tax benefits and duty protection won't be able to cope with those challenges.

Earlier, the CCCI had sent around 190 proposals to the NBR for addressing these issues in the upcoming national budget.

CCCI President Mahbubul Alam, who chaired the meeting, proposed raising the tax-free income limit for individual taxpayers from Tk 3 lakh to Tk 5 lakh considering the current global economic situation.

Underscoring the need for increasing the number of income tax payers to

enhance revenue, he said almost half of the TIN holders in Bangladesh do not submit annual returns.

He then suggested giving those who have TIN registration but never

The Chittagong Chamber of Commerce and Industry (CCCI) proposed raising the tax-free income limit for individual taxpayers from Tk 3 lakh to Tk 5 lakh considering the current global economic situation

submitted returns a chance to make their income tax files regular by introducing a Tk 5,000 annual fine for each year of non-submission.

He also proposed reducing the VAT

on different goods from 15 per cent to 10 per cent seeing as businesses and general people are suffering from the US dollar shortage and inflation.

The CCCI president went on to say that complexities in the HS Code should be addressed to reduce losses for importers.

Muneem then urged businesspeople, including garment factory owners, to focus on making branded products to remain competitive in the global market.

Syed M Tanvir, vice-president of the CCCI, urged for duty exemptions in importing solar panels and related machineries for an interim period as it would encourage industries to source power from alternative sources amid the energy crisis.

NBR members Md Masud Sadik, Dr Shams Uddin Ahmed and Zakia Sultana also spoke on different issues at the event, where the leaders of different trade bodies were present among others.

Russia's oil revenue sinks as sanctions bite

AFP, Paris

Russia's oil export revenue sank 42 per cent in February as Western powers tightened sanctions on the country in the wake of the Ukraine war, the International Energy Agency said on Wednesday.

The country earned \$11.6 billion from its oil exports last month after the European Union imposed a ban on Russian petroleum products alongside a price cap agreed with the Group of Seven and Australia, according to the IEA.

This was down from \$14.3 billion in January and a 42 per cent drop from \$20 billion in February last year. Russia, however, was still shipping "roughly the same" amount of oil to world markets, according to the IEA, which advises wealthy nations.

"This indicates that the G7 sanctions regime has been effective in not restricting global crude and product supplies, while simultaneously curtailing Russia's ability to generate export revenue," the IEA said.

Russian oil exports fell by 500,000 barrels per day to 7.5 million bpd in February, with a big drop in shipments to the EU.

"Recent tanker tracking data suggest that Moscow has managed to re-route most of the barrels previously destined for the EU and US to new outlets in Asia, Africa and the Middle East," the IEA said.

"Although it has been relatively successful in sustaining volumes, Russia's oil revenue has taken a hit."

South Korea to build 'world's largest' chip centre

AFP, Seoul

South Korea said Wednesday it would build the world's largest chip centre using \$230 billion of private investment mostly from Samsung Electronics, as it seeks an edge in the global industry.

The plan is part of the South Korean government's drive to invest heavily in six key technologies, including chips, displays and batteries, all areas where the country's tech giants are well-established already.

South Korea will "build the world's largest scale system semiconductor cluster in the capital areas using massive private investments worth 300 trillion won," President Yoon Suk Yeol said at an economic policy meeting.

"Speed is important. The government will do its best to realise the cluster project," he added, according to a transcript provided by his office.

Separately, Samsung said in a statement sent to AFP that it plans to invest 300 trillion won in the cluster area over the next two decades.

South Korea's Industry Ministry said the cluster plan is due to be completed by 2042.

The vast majority of the world's most advanced microchips are made by just two companies: Samsung and Taiwan's TSMC.

In May 2022, Samsung announced a massive 450 trillion won investment blueprint over the next five years aimed at making it a frontrunner in key sectors from semiconductors to biologics.

Govt's interest expenses

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Similarly, its net borrowing through national saving certificates was a negative Tk 3,107 crore. The sales target for the whole financial year is Tk 35,000 crore.

Various reform initiatives such as the online issuance process, logical investment limit, and introduction of multi-tier interest rates contributed to the reduction of the net sales of the savings instruments, said the bulletin.

The government's external borrowing declined 14.17 per cent to Tk 27,078 crore in the first half of FY23. It was Tk 31,548 crore in the same half of 2021-22.

The total outstanding debt stock was Tk 13,59,898 crore as of December last year.

The outstanding domestic debt stood at Tk 864,105 crore. Of the sum, the government owes Tk 438,908 crore to the banking sector and Tk 425,196

crore to the non-banking source.

The outstanding external debt was Tk 495,794 crore as of 2022.

According to the bulletin, the total debt-to-GDP ratio was 30.56 per cent based on the FY23 GDP projection by the Bangladesh Bureau of Statistics and is significantly lower than the 55 per cent threshold of the International Monetary Fund (IMF).

External debt stock is around 11.14 per cent of GDP at the current market price, according to the bulletin, highlighting the well-debt position of the country.

Bangladesh has secured approval from the IMF for a \$4.7 billion loan.

"The approval of the loan is a testament to Bangladesh's strong macroeconomic performance amid global economic and political volatility, and builds confidence among development partners in the country's economy," the finance ministry's bulletin said.

Interests of gig economy

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Contact Center and Outsourcing, said the largest markets for outsourcing is the United States, Europe and Japan.

He went on to say that the services outsourcing market is very big and there is opportunity for Bangladesh in this regard but what is needed are the right policies and support.

Still, there are other challenges.

"Many graduates are coming up but they are not skilled. They cannot even write and speak properly in Bangla," he said while stressing on the

need for improving communication skills.

"Country branding is important. The international community needs to know Bangladesh is an important destination," Sharif added.

In another presentation, Mike Kazi, founder and chief executive officer of Apex DMIT Ltd, said language problems and communication skills are major challenges.

He also said there is a shortage of skilled manpower in specific domains, such as financial, medical, graphics and artificial intelligence.

Agriculture ministry

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Later, at a meeting on the progress of implementation of projects under the Annual Development Programme, the minister suggested scientists

emphasis on research on developing improved varieties of horticultural plants. "Scientists are still lagging behind in this area. Works in this area are not that much visible," he added.

China's central bank warns against US, Western 'suppression'

REUTERS, Beijing

The People's Bank of China said on Wednesday it will "appropriately" respond to U.S. and Western "containment and suppression", in a rare warning by the central bank following calls by President Xi Jinping to safeguard national security.

It is unusual for the central bank to comment on foreign policy given its responsibility is finance, suggesting that China is signalling it is ready to deploy a wide range of countermeasures in response to increasing tension with the West.

The People's Bank of China (PBOC) will "appropriately deal with the containment and suppression of the United States and the West", the bank said in a statement published following an internal Communist Party committee study session.

Relations between the world's two largest economies have been tense for years but worsened last month after the United States shot down a balloon off the U.S. east coast that it says was a Chinese spying craft.

While the U.S. has maintained



A man walks past the headquarters of the People's Bank of China, the central bank, in Beijing.

PHOTO: REUTERS/FILE

it seeks to establish guardrails for the relationship, Xi has spoken of a need to "improve the national security system" and "build the people's army into a great wall of steel that effectively safeguards national sovereignty, security and

development interests".

China last week announced sweeping government reform, including the establishment of a new financial regulatory body that would take over some supervisory functions from the PBOC.

Most users not content with BBS data

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The BBS should try to come up with new types of data every year which will help policymaker a lot, said the economist.

"It is high time to publish the GDP data," he said, adding, "If India can do it, why not the BBS?"

However, Mansur also underscored the importance of the BBS, as a national statistical agency, staying independent, free from any type of influence.

Many statistical agencies in

the world are run under their parliaments, he said.

"It is not a matter of dissatisfaction, it is just inefficiency issues," said Md Matir Rahman, director general of the BBS, on the users' expectations for more data.

The BBS conducted this survey to realise its internal strength and understand where this agency has reached since being formed in 1974, he said.

"Through this survey, now we can understand what we should do in the

future," he added.

Acknowledging the various limitations, the BBS director vowed to fast release data, including labour force surveys on a quarterly basis.

Echoing him, Shahnaz Arefin, secretary to the Statistics and Informatics Division, blamed a lack of skilled manpower and budgetary limitations.

Speaking as chief guest, Shamsul Alam, state minister for planning, welcomed the "self-analysis".

However, he acknowledged that

there were inaccuracies in the data of the BBS. "However, overall, it is reliable," he insisted.

There is a general mistrust of the inflation data, especially if it falls. "The prices always fluctuate. When eggs become costlier, other products like potatoes may become cheaper," he said.

Besides, the state minister suggested that the BBS improve its website to make it more user friendly as 89 per cent of the respondents still use it.