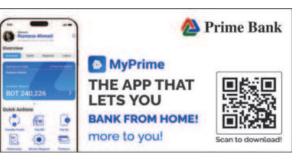
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5 projects to seek extra Tk 1,119cr

REJAUL KARIM BYRON and DWAIPAYAN BARUA

the Although government discourages implementing agencies of development projects in Bangladesh from seeking time and cost revisions, several proposals in this regard are placed at each meeting of the Executive Committee of the National Economic Council (Ecnec).

Today's meeting will be no different as five of the eight proposals to be placed before the Ecnec are for increasing their deadlines by two to

The five projects will also seek additional funds of Tk 1,119 crore collectively, up by some 40 per cent from their initial estimates, citing higher equipment costs owing to the higher US dollar price among other

Prime Minister Sheikh Hasina on many occasions has expressed dissatisfaction over the sorry state of project implementation as long delays mean that more money is spent while people are deprived of benefits in the meantime

As such, the five projects could cost as much as Tk 3,903 crore to complete

after revision. Prime Minister Hasina Sheikh has repeatedly expressed

dissatisfaction over the sorry state of project implementation in the country as long delays mean that more money is spent while people are

deprived of benefits in the meantime. For instance, Bangladesh Police aims to enhance its efficiency through a small project that initially involved Tk 80 crore for the purchase of 12 armoured vehicles, 20 escort vehicles and 5 floodlight vehicles.

The project taken up in July 2019 was originally set for completion by June 2021 but a proposal for its second revision will be placed today, seeking a time extension of two years till June 2023.

Besides, the cost of the project could be revised upward four times to Tk 309.48 crore, according to documents from the planning ministry.

The reason behind the proposed cost revision is the imposition of 826 per cent VAT against the value of armoured and escort vehicles.

Meanwhile, the fisheries and livestock ministry will place its first proposal for revising the Sustainable Coastal and Marine Fisheries project.

The project aims to modernise laws related to marine fisheries, formulate three national fishery management plans, install vessel monitoring systems in five trawlers, and place tracking systems on 10,000 commercial fishing boats.

READ MORE ON B3

Foreign banks see spike in deposits

Many savers ditch local lenders

SOHEL PARVEZ

Foreign banks operating in Bangladesh registered an 8.57 per cent growth in deposits in the October-December quarter of 2022, the highest since 2018, as many savers shifted their funds from local banks amid a confidence crisis.

Nine multinational lenders logged Tk 73,980 crore in deposits in the fourth quarter, up from Tk 68,143 crore in the third quarter, according to the Quarterly Scheduled Banks Statistics released by the Bangladesh Bank yesterday.

On a vear-on-vear basis, the banks recorded a 14 per cent growth in deposits even though several well-known multinational banks offer lower interest rates on deposits compared to their local competitors.

"Due to the perceived highrisk around a few local banks and financial institutions, cautious savers preferred to park



401,032 crore in the October-

December quarter. Private

banks, including Islamic ones,

saw money parked by savers

crore in deposits as a section

of savers withdrew funds amid

a confidence erosion in the

wake of allegations of loan

the October-

December

irregularities in some shariah-

Islamic banks lost Tk 11,426

grow 0.22 per cent.

their deposits with foreign banks despite lower returns," said Mamun Rashid, a former CEO of Citibank, NA Bangladesh.

commercial State-owned banks logged the secondhighest growth in deposit collection followed by private banks.

Government-owned banks witnessed their deposit grow by 0.96 per cent yearon-year to Tk

Overall, deposits rose 0.74 per cent to Tk 15,88,010 crore in the fourth quarter of 2022 compared to the third quarter when it stood at Tk 15,76,370

quarterly report on Islamic

banking of the central bank.

The growth of deposits, however, slowed to 5 per cent at the end of December, way lower than 9.6 per cent a year ago, BB data showed.

According Sved Mahbubur Rahman, managing director of Mutual Trust Bank, multiple factors affected the deposit growth last year.

"Many people did not have enough liquidity owing to the higher inflation. It affected their scope to save. Besides, a section of people looked based banks, according for investment opportunities outside banks as the interest rates on deposits were below the rate of inflation," he said.

Inflation rose 8.78 per cent in February, breaking a fivemonth declining

trend. READ MORE ON B3

Banks may lose 40% assets if global standards followed Says FRC chairman

STAR BUSINESS REPORT

Banks and non-banks in Bangladesh are not properly following the International Financial Reporting Standard (IFRS) and so, the real picture is not seen in their financial reports, said Md Hamid Ullah Bhuiyan, chairman of Financial Reporting Council (FRC).

The FRC is an independent oversight body that aims to bring trust, credit worthiness, transparency and accountability in the audited reports and accounting of publicly listed companies.

"If they [financial institutions] followed the IFRS properly, then their assets would erode 40 per cent due to the carry over classified loans," he

> "The classified loans are being carried forward year after year. However, there is very little possibility to get back the fund," the FRC chairman said

At present, financial institutions in the country operate in line with the central bank's directives while the IFRS is not followed.

Bhuiyan yesterday made these comments while speaking at CMJF Talk, organised by the Capital Market Journalists' Forum (CMJF) at its office in

"The classified loans are being carried forward year after year. However, there is very little possibility to get back the fund," the FRC chairman said.

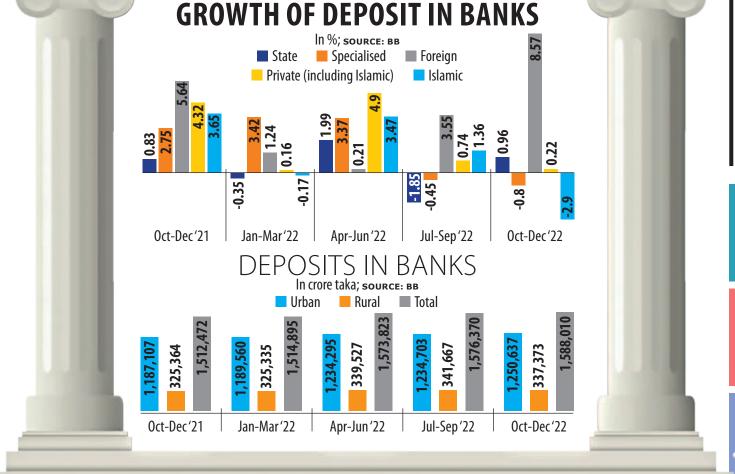
Borrowers now reschedule loans by paying a very minimal amount and then borrow from other banks. As a result, the other banks also face the same problem.

We are requesting the central bank to make the banks bound to follow the IFRS. But we did not get any positive signal yet," he added.

Bhuiyan then said many companies make money from the capital market by manipulating their financial reports with general investors falling victim. So, the FRC plans to work on listed companies after getting the adequate manpower.

In order to ensure transparency in financial reporting, the FRC is going to enlist auditors. If they commit any wrongdoing, then they too will be punished.

READ MORE ON B3





MUMBAI SINGAPORE SHANGHAI TOKYO 0.62% 1.42% 1.37% 0.48% 57,628.95 26,945.67 3,139.76 3,234.91

Should tax-free income limit rise as inflation bites?

Mohammad Firoz works at a garment accessories manufacturing company and earns Tk 29,000 per month.

Last month, his five-member family was forced to move to a tin-shade room from a small flat in the capital's Mirpur as Firoz is failing to maintain the family expenses since the cost of living shows no sign of going down.

He has divided the room, which is large, with employers deduct the tax a board: he, his wife and their two school-going children live in one part of the room while his mother stays in the other part.

"My income is not enough to meet the tuition fees of the two children, afford the medicines for my mother, pay the house rent, and buy food. I have no way to earn more money," said Firoz.

He is one of the hundreds of thousands of fixed and low-salaried people in Bangladesh who are facing the same struggle because their monthly salary of Tk 25,000 to Tk 30,000 can't cover the expenditures since inflation has stayed at a higher level for nearly a year.

But the irony is if their monthly income

crosses Tk 25,000, they are bound to pay income taxes as the taxfree income limit is Tk 3 lakh.

Both fixed and low-income people and analysts have described the income tax slapped on the earnings of Tk 25,000 as harsh amid higher consumer prices.

most from an employee's salary every month and deposit it in the government coffer.

"How can the government impose the income tax on such a low level of salary?" asked Firoz.

The tax-free income threshold should be raised to Tk 3.50 lakh considering the added pressure stemming from the rise in commodity prices, particularly those of food items, said Towfiqul Islam Khan, a senior READ MORE ON B3



BUSINESS

RFL holds dealers' conference in Dubai

STAR BUSINESS DESK

RFL Group recently organised a "Dealers' Conference" at a hotel in

More than 230 leading distributors of various brands of the Group attended the programme, virtually joined by RN Paul, managing director of RFL Group, said a press release.

The dealers, who took part in the conference, were from RFL's various product segments such as houseware, water tank, adhesive, lubricants, toys, stationery, hotpot and flask, door, bedding items, MS & GI pipe, TEL plastics, paints, footwear, melamine and medical appliances.

Toukirul Islam, executive director of Durable Plastic, Masudur Rahman, business unit head of stationery group, Esfaquel Hoque, head of marketing of Durable Plastic, and Juhirul Islam, head of marketing of Banga Building Materials, among others, were present.

Fed, other cenbanks to boost global dollar liquidity

AFP, Washington, United States

The US Federal Reserve and other major central banks announced on Sunday a coordinated effort to improve banks' access to liquidity, hoping to calm worries rattling the

global banking sector.

The special drive will be launched Monday by the Fed and the central banks of Canada, the United Kingdom, Japan, the European Union and Switzerland Union and Switzerland.

The announcement came hours after Switzerland brokered the UBS takeover of its troubled Swiss rival Credit Suisse. The central banks will step up so-called swap line operations, which give non-US central

banks greater access to dollars. "To improve the swap lines' effectiveness in providing US dollar funding, the central banks currently offering US dollar operations have agreed to increase the frequency of 7-day maturity operations from weekly to daily," the central banks said in a joint statement.

"The network of swap lines among central banks is a set of available standing facilities and serve as an important liquidity backstop to ease strains in global funding markets, thereby helping to mitigate effects of such strains on the supply of credit," it added.



With each hectare producing about 30 tonnes of carrot, farmers are now selling the crop for as much as Tk 15 per kilogramme directly from their fields. Having been pleased by this year's yields, the char farmers now plan on expanding acreage next season.

Carrot cultivation brings cheers for char farmers

For the first time, carrots are being grown commercially in char areas of Teesta river, where farmers previously grew the vegetable only for personal consumption. Having been pleased by this year's

yields, the char farmers now plan on expanding acreage next season. As per sources at the Department Tk 45,000.

of Agricultural Extension (DAE) in Rangpur, carrots were cultivated on 1,900 hectares of land across 30 chars of Teesta river in the Lalmonirhat, Kurigram, Rangpur, Gaibandha and Nilphamari districts.

With each hectare producing about 30 tonnes of carrot, farmers are now selling the crop for as much as Tk 15 per kilogramme (kg) directly from their

Those who leased lands for cultivation spent an average of about Tk 2.5 lakh to sow carrot on each hectare while farmers who have their own land spent Tk 1 lakh

Ayub Ali, a madrasa teacher by profession in the Char Kalmati area of Lalmonirhat Sadar upazila, said he leased 8.5 acres of land to cultivate carrot at a cost of around Tk 9 lakh.

regetable, earning him some Tk 6.5 lakh. "Seeing my success, many farmers have

become interested in growing carrots commercially," he added. Afzal Hossain, a farmer of the same

char, said he spent Tk 12,000 to cultivate carrot on one bigha of land to get 3,700 kgs of the crop, which were then sold for

> As per sources at the Department of **Agricultural Extension** in Rangpur, carrots were cultivated on 1,900 hectares of land across 30 chars of Teesta river

Having succeeded in producing carrots on the sandy char land, he now plans to expand cultivation.

"We used to only grow carrots on a small scale for our own use," he added.

Maiibur Rahman, a farmer of Char Ichli in Gangachara upazila of Rangpur, said he got the expected profit of Tk 2.20 lakh by cultivating carrots on 5 bighas of land at cost of Tk 58,000.

"The method of commercially farming carrot on sandy char land was not known before but this year, with the help of the agriculture department, I have succeeded in cultivation. Now, I will cultivate more in the future," he added.

Nagen Chandra Barman, a farmer of Char Gatiashyam in Rajarhat upazila of Kurigram, said as many as 30 growers in the area have successfully cultivated carrots on a commercial basis this year.

Barman then informed that it does not cost much to cultivate carrot on char land while profits are good.

He earned Tk 55,000, excluding expenses, by cultivating the crop on two bighas of land.

Mohammad Shah Alam, additional director of the Rangpur DAE, said local vegetable markets are now packed to the brim with carrots grown in char areas.

The crop is also being shipped to various other parts of the country, he added.

Alam went on to say that the DAE extended all kinds of support for the commercial cultivation of carrots in the

In addition, many other crops are now being commercially cultivated on char land, he said.

Romana re-elected as Bank Asia Securities' chair

STAR BUSINESS DESK

Romana Rouf Chowdhury has been re-elected as the chairman of Bank Asia Securities Limited at the 12th annual general meeting of the company held on March 14 this Chowdhury is one of the directors of Bank

Asia Limited, said a press release. She has more than 26 years' experience as an industrialist and

such as food, retail and architecture. She is the managing director of Sea Natural Food Limited, Sea Fishers Limited and Sea

she founded multiple ventures in different fields,

Resources Group. Romana is director of various sister concerns of Rangs Group as well.

She did her graduation from Brac University and obtained an MBA degree from the Florida Institute of Technology.

She has also completed executive education from Harvard Business School and Columbia Business School.

Rupee weakens

REUTERS, Mumbai

The Indian rupee declined on Monday as relief from the Credit Suisse rescue deal proved to be short-lived, with investors dumping risk assets on worries over a contagion in the global financial

The rupee closed at 82.6350 per dollar, compared with its previous close of 82.5525.

Asian stocks and currencies deepened losses as the session progressed as investor focus shifted to the massive hit some Credit Suisse (CS) bondholders would take under the UBS takeover deal due to the writedown of additional tier-1 (AT-1) capital debt.

Shares in India, Indonesia and Singapore fell between 1 per cent and 1.5 per cent.

PRICES OF KEY ESSENTIALS N DHAKA CITY % CHANGES PRICE (MAR 20 FROM A FROM A 2023) Fine rice (kg) Tk 60-Tk 75 Coarse rice (kg) Tk 46-Tk 50 2.13 Loose flour (kg) Tk 55-Tk 58 68.68 Lentil (kg) Tk 95-Tk 100 Soybean (litre) Tk 168-Tk 172 Potato (kg) Tk 16-Tk 20 -14.29 🖶 -10 🔱 7.69 Tk 30-Tk 40 -17.65 🖶 Onion (kg) Tk 42-Tk 45

Green Transformation Fund Adil Chowdhury, president and managing director of Bank Asia, exchanged signed

documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank (BB), at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.



Emranul Huq, managing director of Dhaka Bank, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank (BB), at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.



Arif Quadri, managing director of United Commercial Bank, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank, at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.

PHOTO: UNITED COMMERCIAL BANK

Bank Asia, BB sign refinance deal

STAR BUSINESS DESK

Bank Asia Limited has signed a participation agreement with Bangladesh Bank under a refinance fund of Tk 5,000 crore aiming to accelerate green practices and sustainable growth in export-oriented and manufacturing industries.

Adil Chowdhury, president and managing director of Bank Asia, and Chowdhury Liakat Ali, director of the sustainable finance department of Bangladesh Bank (BB), signed the agreement at the latter's headquarters in Dhaka last week, said a press release.

Under the deal, Bank Asia will provide credit to borrowers for importing capital machinery and accessories to implement environment-friendly initiatives. Abdur Rouf Talukder, BB governor, Kazi Sayedur Rahman, deputy governor, and Md Khurshid Alam, executive director, were present.

Nagad to make

The MFS provider introduced its business in

It started its journey with e-KYC (Electronic Know Your Customer). The digital KYC enabled customers to open an account in just 15 minutes in contrast to the 3-15 days usually taken to complete the process, bringing about a revolutionary change in the MFS sector as the number of users has

rocketed. later formed partnerships with mobile This operators. allowed clients to open MFS accounts in only 10

seconds," Mishuk said. In 2020, Nagad cut the rates on cash-out transactions, giving significant boost to transactions.

He also touched upon

the confusion about the

ownership of Nagad, which

started out as the MFS of

the Bangladesh Post Office.
The MFS service was operated by Third Wave Technologies Ltd until February 2021 before Third Wave Technologies renamed Nagad Ltd. "The confusion

be cleared fully when Nagad Finance starts its operation," Mishuk said.

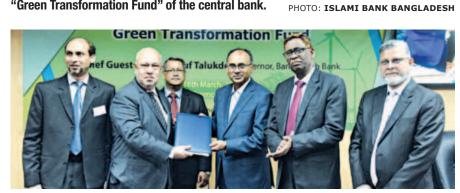
He said that 51 per cent of shares of the MFS operator will be owned by Nagad Finance and the rest by Nagad Ltd.

Mishuk has also planned to establish a digital bank to gear up financial inclusion. "The central bank is now working to formulate the guideline on digital bank. This will help the entrepreneurs of Nagad to set up a bank based on digital technologies."

About 19.10 crore users were registered with 13 MFS providers in 2022 in a country of 17 crore people, with many operating multiple accounts.



Muhammad Qaisar Ali, additional managing director of Islami Bank Bangladesh, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank (BB), at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.



Khondoker Nayeemul Kabir, managing director (current charge) of NCC Bank, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank (BB), at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.



Md Ahsan-uz Zaman, managing director of Midland Bank, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank (BB), at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.



The BGMEA demanded 10 per cent cash incentive on export of garment manufactured from imported manmade fibre for five years so that local exporters can grab a bigger share of the \$750 billion global market for non-cotton products.

Bangladesh looking to stay competitive after LDC graduation

Govt to provide bonded warehouse facility for 10 sectors, seeks alternative to cash subsidy

REFAYET ULLAH MIRDHA

The government will soon find an alternative for cash subsidies on export so that local exporters can remain competitive even after Bangladesh graduates from the list of least developed countries (LDCs) in 2026, according to

Besides, the government will introduce bonded warehouse facilities for at least 10 sectors with high export potential in order to keep their earnings unhurt after graduation.

These decisions were taken yesterday at a meeting of the National Committee on Exports, chaired by Prime Minister Sheikh Hasina at Gonobhaban in Dhaka.

Various ministers and their secretaries, senior officials of government agencies, and leaders of different businesses and trade bodies attended the meeting.

The meeting mainly focused on Bangladesh's preparedness for facing challenges in trade after graduation, when the country will no longer enjoy preferential trade benefits as an LDC.

As per rules set by the World Trade Organisation, the government of any developing or developed country cannot enjoy direct cash incentives on export.

So, the government will continue international trading partners have long giving direct cash incentives up till 2026, after which the subsidy will be provided in other forms, Tapan Kanti Ghosh, senior secretary to the commerce ministry, told The Daily Star after the meeting.

"Most of the alternatives for cash subsidies in export sectors have to do with policy support," Ghosh said without elaborating further.

Last year, the government paid nearly \$1 billion as cash incentives on export

To ensure that Bangladesh maintains its pace in export earnings after graduation, the government will launch bonded warehouse facilities for 10 sectors with high export potential, including pharmaceuticals, ceramics. processing, plastic, leather and leather

These sectors will get duty-free raw material imports under the bonded warehouse facility, which has been enjoyed by the garment sector for many vears now to much success.

The commerce ministry has already extended the validity of import registration certificates and export merchandise exports in fiscal 2021-22 registration certificates to five years came under preferential trade benefits as instead of one year as businesses and an LDC.

been urging for the automation and simplification of trade rules.

Moreover, the commerce ministry will issue a circular within a day or two for extending the validity of Rules of Origin certificates obtained from the Export Promotion Bureau (EPB) to five years from

The certificate is mandatory for availing benefits under the Generalised System of Preferences (GSP). The EPB will issue five-year certifications for green industries while that of yellow industrial units will last two years.

The automation and simplification of trade is expected to help Bangladesh become more competitive in global trade after its LDC graduation.

The government has also been working on commencing full operations at all Special Economic Zones, Ghosh said.

As an LDC, more than 73 per cent of the country's international trade is conducted under the GSP facility in 38

This means that 73 per cent of Bangladesh's \$52 billion earnings from

But following LDC graduation, local exporters will face nearly 12 per cent duty on shipments to the EU if Bangladesh cannot obtain GSP plus benefits.

The EU has already confirmed that the trade bloc of 27 countries will continue providing the LDC trade benefit to Bangladesh until 2029 as they give three years as a grace period for graduates.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), demanded 10 per cent cash incentive on garment exports, including those made from imported manmade fibre (MMF), for five years so that local exporters can grab a bigger share of the roughly \$750 billion global market for non-cotton products.

After five years, local textile millers will be able to make the MMF based yarn and then continuation of the incentive will not be required, he said.

Hassan also demanded the withdrawal of VAT and other taxes on the procurement and sourcing of recycled fabrics to be more competitive in the segment as demand for recycled garment items is on the rise globally.

The BGMEA chief then demanded source tax be reduced to 0.50 per cent from the existing 1.0 per cent.

No minimum deposit for micro-merchant accountholders

STAR BUSINESS REPORT

Small merchants who have personal retail accounts will not have to maintain any minimum deposit and face any account maintenance fee, according to a central bank notice. In November 2020, the central bank allowed

micro and underprivileged businesses to open personal retail accounts with a view to bringing millions of small traders under the digital payment This enables micro and underprivileged

businesses that have accounts with banks, mobile financial service and payment service providers to open personal retail accounts without a trade

Yesterday, the central bank said the personal retail accounts of the labour-intensive micro/ floating enterprises, service providers engaged in various marginalised segments, and the individuals who sell products and services online would be considered special privileged accounts.

So, they would be exempted from retaining the minimum deposits until further notice, said the

Similarly, no account maintenance fee can be charged against such accounts, it said.

India plans to extend fuel export curbs beyond March

REUTERS, New Delhi

India plans to extend restrictions on the export of diesel and gasoline after the current fiscal year ends this month to ensure the availability of refined fuels for the domestic market, two government sources with direct knowledge of the

The extension of rules may discourage some Indian refiners, mainly private companies, from buying Russian fuels for re-exports to countries including those in Europe that have stopped purchases of refined products from Russia due to its invasion of Ukraine.

India, the world's third-largest oil consumer, imposed a windfall tax on refined fuel exports last year and mandated that companies sell the equivalent of 50 per cent of their gasoline exports and 30 per cent of their diesel exports domestically in the current fiscal year to March 31.

New Delhi issued the rare restrictions after private refiners Reliance Industries and Nayara Energy, key Indian buyers of discounted Russian supplies, began reaping major profits by aggressively boosting fuel exports instead of domestic sales.

That forced state refiners to fill the void and meet demand at home by selling fuels at government-capped lower prices. India's oil and commerce ministries are discussing the extension of the order to beyond this fiscal year, one of the government sources said.

Should tax-free income limit rise?

research fellow of the Centre for Policy Dialogue (CPD).

The private think-tank calculated that a household of four persons residing in the Dhaka city needs Tk 23,676 a month to a make a decent

second slab for personal income tax that is 5 per cent for the additional Tk 1 lakh should be increased to Tk 3 lakh to provide a cushion to limited-income earners, said Khan.

The government has maintained the tax-free income limit at Tk 3 lakh since the fiscal year of 2020-21 although the cost of living has gone up significantly since then.

At the same time, the highest tax rate was reduced from 30 per cent to 25 per cent, a move that goes against the cause of promoting tax justice, according to a number of

"The inflation rate is really high in Bangladesh, so it is tough to run a family with a monthly salary of Tk 25,000 to 30,000. So, the tax-free income limit should be readjusted," said Mohammad Abdur Razzaque,

Integration for Development.

"If the limit is raised, it will not impact the government's revenue generation to a large extent since this group of taxpayers pays a low amount of taxes.'

The economist urged the National Board of Revenue (NBR) to expand the tax net by bringing the people who are not showing their income properly under the tax system.

Inflation in Bangladesh climbed 8.78 per cent in February, breaking a five-month declining trend. It surged to a 10-year high of 9.52 per cent in August, driven by higher commodity prices in the global markets owing to the Russian-Ukraine war. This has eroded the buying capacity of the

In order to protect their citizens from the ongoing cost-of-living crisis, many countries have taken tax

In India, for example, the basic tax exemption limit has been hiked to 3 lakh rupees from 2.5 lakh rupees for the financial year beginning on April 1, 2023.

Ahsan H Mansur, executive chairman of the Research and Policy Institute, however, says the tax-free economic situation.

income level is higher in Bangladesh compared to the developed nations in terms of per capita income.

"So, I don't support raising the tax-free income level. Instead, people should pay direct tax even if they earn a lower amount. The mindset to pay tax should be developed."

Analysts say the misuse of the taxpayers' money is discouraging people to pay taxes, so the government should ensure accountability and transparency in guaranteeing the value for money.

When people see that their hard-earned money, paid in the form of tax, is misused and they don't get quality healthcare, education, and other services, they feel discouraged to pay taxes, according to Mansur.

"We should make the government accountable in utilising the taxpayers'

"We are talking to stakeholders now and they are also recommending raising the tax-free income level," said Sams Uddin Ahmed, member for tax policy at the NBR. "The NBR will make a decision

director of the Policy Research soon considering the present

Sheikh Nadir Hossain Lipu, chairman of Milk Vita (Bangladesh Milk Producers' Co-operative Union), inaugurated

Lohagora branch of Premier Bank at Lohagora Bazar in Norail recently. Syed Nowsher Ali, additional managing director of the bank, and Tareq Uddin, executive vice-president, were present. PHOTO: PREMIER BANK

Banks may lose 40% assets

Besides, no auditor will be allowed to make a report public without vetting from the FRC, he said, adding that if any company's revenue crosses Tk 50 crore, then it will be considered a public interest entity.

There are around 3,400 such entities at present. Apart from these, around 2,500 microcredit organisations have been operating in Bangladesh under the FRC's radar.

The FRC will form separate

panel auditors for banks, insurance companies, and listed companies that would have the sole authority to audit them.

Bhuiyan also expressed pessimism about the response from the insurance sector as they did not agree to follow the IFRS.

Life insurance companies do not form any profit and loss accounts, keeping only revenue accounts instead.

accounts is mandatory as per the were present.

International Accounting Standard regardless of a company's nature.

We requested them, but none responded yet," he said. The FRC is now working to form

necessary regulations and recruit adequate manpower. When all this is in hand, it will then work in full swing and people will get the benefit, Bhuiyan added.

Ziaur Rahman, president of the However, the keeping of such CMJF, and Abu Ali, secretary general,

5 projects to seek extra Tk 1,119cr

The project was to be implemented between July 2018 and June 2023 but the deadline could be extended to

June 2025 if the proposal is accepted. Additionally, the estimated cost could go up to Tk 2,458 crore from Tk 1,869 crore.

Similarly. the countrywide mobile library project, which was initially set for completion between July 2018 and December 2020, will for four more years till December

If the proposal is greenlit, the project cost will rise to Tk 111 crore

from Tk 37 crore originally.

vocational teachers training institute installing prepaid gas meters in in Dhaka was supposed to finish in four years by June 2020.

project's fourth revision will request three more years till June 2023 for completion while the cost involved could rise to Tk 96 crore from Tk 86

The seek a second deadline extension Employment and Training, the cost will go up to Tk 928 crore from implementing agency, held the imposition of Tk 16 crore VAT for the purchase of machineries as well rising based on the higher cost of different foreign currency rates for the revision. components.

The project of the Energy and Likewise, the establishment of a Mineral Resources Division for 41 areas of Dhaka by Titas Gas Transmission and Distribution However, a proposal for the Company Limited had an initial deadline of between January 2015 and December 2018.

The project will now seek its third revision, under which the deadline will be extended by another five-and-Bureau of Manpower a-half years till June 2024 while the Tk 712 crore.

The project is seeking revision

Foreign banks see spike in deposits

trend. It surged to a 10-year high of 9.52 per cent in August, driven by higher commodity prices in the global markets owing to the Russian-

Jkraine war. The weighted average interest rate on deposits was 4.24 per cent in the three months to December, slightly up from 4.06 per cent from a year

In an emailed reply to The Daily Star, Citibank in Dhaka said Citi with its client base of large multinationals an erosion of confidence among a

and top-tier local corporates, attracts solution-based deposits and, consequently, manages significant client deposits.

"With our unique global footprint across 95 countries, we are also the sole banker to many of our clients. This has helped attract as well as build up a strong deposit base over

Shah Md Ahsan Habib, a professor at the Bangladesh Institute of Bank Management, says there has been

section of savers to some extent. "But this should not be linked with the deposit growth in foreign banks. It may be that the overall portfolio some international banks has increased, not all foreign banks," he said, adding that people also don't have much confidence in some

foreign banks as well. Regarding the deposit growth in the state-run banks, Prof Habib said, "People's trust in state agencies deepens when uncertainty develops

in other areas.'

BUSINESS

Most shares unchanged amid low investor participation

STAR BUSINESS REPORT

Most shares on the Dhaka and Chittagong stock exchanges did not see any price movement vesterday as investors refrained from making fresh bets amid persisting uncertainty.

The DSEX, the benchmark index of the Dhaka Stock Exchange, lost 3 points, or 0.05 per cent, to close the day

The DS30, the blue-chip index, decreased 0.08 per cent to 2,215 while the DSES, the shariah-compliant index, went down 0.2 per cent to 1,349.

"The Dhaka stocks continued bleeding amid low turnover. The risk-averse investors opted for liquidating their position to escape further losses on their portfolios, said International Leasing Securities Ltd, a brokerage house, in its daily market analysis.

Following the previous session, the market opened with a downward movement and observed volatility in the morning session. Later, the bargain hunters tried to reverse the downward trend but failed ultimately, it said.

Turnover, a key indicator of the market, fell 23 per cent to Tk 344 crore. Of the securities, 51 advanced, 35 declined and 234 did not show any price movement.



Among the sectors, life insurance rose 0.9 per cent, services were up 0.7 per cent and jute added 0.4 per cent. On the other hand, the travel sector lost 1.5 per cent, the tannery sector edged down 0.5 per cent, and the textile sector went down 0.3 per cent.

Investors' concentration was mainly focused on the pharmaceuticals sector, which constituted 22.8 per cent of the day's turnover. The IT and the life insurance sectors accounted for 12.9 per cent and 12.4 per cent of the turnover, respectively.

Shyampur Sugar Mills posted the highest appreciation on the day, advancing 7.36 per cent. Imam Button Industries Ltd rose 7 per cent and Legacy Footwear Ltd won 4.96 per cent.

Al-Haj Textile Mills suffered the sharpest fall, declining 10 per cent. Bengal Windsor Thermoplastics gave up 9.94 per cent and Orion Infusion shed 5.38 per cent.

Sea Pearl Beach Resort & Spa was the most-traded stock with its shares worth Tk 14.96 crore changing hands. Rupali Life Insurance Company, Shinepukur Ceramics, and ADN Telecom saw significant turnovers as well.

The Caspi, the all-share price index of the Chittagong Stock Exchange, remained almost flat to close at 18,324. Of the issues, 30 rose, 27 retreated and 120 did not see any

Turnover of the port city bourse plummeted more than 64.7 per cent to Tk 8.27 crore.



Nagad to make cash withdrawal free

Says its Managing Director Tanvir A Mishuk

STAR BUSINESS REPORT

Nagad will offer free-of-charge cash withdrawal service to its account-holders by this year in order to accelerate Bangladesh's financial inclusion drive, said its Managing Director Tanvir A Mishuk.

"The free-of-charge service for cash-outs will not create any negative impact on the earnings. Rather, it will help expand our business to a large extent," he said during an interview with The Daily Star

Clients of mobile financial service (MFS) providers in Bangladesh now pay Tk 10 to Tk 18.50 per Tk 1,000 withdrawal.

Mishuk says that Nagad Ltd, one of the largest MFS operators in the country, will provide the service to its clients through its upcoming non-bank financial institution, Nagad Finance PLC.

The central bank gave the letter of intent to Nagad Finance on August 30. On January 12 first such approval granted to any NBFI in the country.

The new NBFI will commence its operation upon getting the licence from the central bank, Mishuk said.

'Clients can now withdraw funds from their banks without any charge. The same should apply to the clients of MFS providers as well."

Nagad Finance plans to roll out various financial services for micro-businesses and the underprivileged groups. For mobilising deposits will be operated through the MFS provider, which has 7.25 crore users. According to

Mishuk, around

loans through digital platforms. "The use of digital

technologies will allow us to make loans in a speedy manner and bring down the cost of operation."

"We will also offer several

NAGAD AT A GLANCE

Operation launched in 2019 Number of customers **7.25**cr in Feb Hit daily Tk **100**cr transaction milestone in Feb 2020 Average daily transaction now Tk **1,000**cr

SOME SUCCESSES

- >> Sending money free from beginning
- >> Introduced free bill payment
- >> Introduced e-KYC
- >> Distributed around Tk 20,000cr govt assistance among poor
- >> Going to launch remittance service soon

RECOGNITION

- Received World Information Technology and Services Alliance Global ICT Excellence Award
- Recognised as the top utility bill payment operator

60 per cent of the country's savings products. As a result, this year, the Bangladesh Bank people take loans from formal the marginalised groups will be decided in principle to allow and informal channels at able to deposit even Tk 10 daily Nagad Finance to run MFS, the higher interest rates. Some microfinance institutions even charge 30-40 per cent interest rates

"Such rates are not viable. We have the plan to break the system in the next two years so that micro-businesses can secure loans at a single digit," he said, adding that the NBFI would also provide collateral free loans.

He said Nagad Finance would focus on micro and small businesses such as street vendors and the commoners instance, disbursing loans and when it comes to disbursing

or weekly.

The profit made from the NBFI's operation will help the MFS provider offer the free-ofcharge cash-out service, he said.

Despite continuing faster expansion that usually requires significant use of funds, Nagad has decided to give dividends to its shareholders this year.

"We know how to do business smartly. Our MFS operation has already proven it by reaching out to a large number of people in the last couple of years," Mishuk said.

READ MORE ON B2

UBS swallows doomed Credit Suisse

Casts shadow over Switzerland

REUTERS, London

UBS Group emerged as Switzerland's one and only global bank with a state-backed rescue of its smaller peer Credit Suisse, a risky bet that makes the Swiss economy more dependent on a single lender.

The unprecedented move announced late on Sunday in Zurich capped a race against time by regulators to avert a meltdown in global markets. Switzerland is pledging more than 160 billion francs (\$173 billion) in loans and guarantees to underpin the new group, guarding against further risks undermining the lender.

The transaction – the first rescue of a global bank since the financial crisis of 2008 – grants enormous clout to UBS, ridding it of its main rival. It will change the landscape of banking in Switzerland, where branches of Credit Suisse and UBS are dotted everywhere, sometimes just metres apart.

The two lenders have been pillars of global finance for decades. The banks, two of the most systemically relevant in global finance, hold combined assets of up to 140 per cent of Swiss gross domestic product in a country heavily dependent on finance for its economy.

Following the 2008 financial crash, politicians pledged to never bail out banks again. The Credit Suisse rescue, orchestrated with public money, shows banks' continued vulnerability and how their problems can quickly rebound on their home country.



But it also removes a competitor to Wall Street, with UBS planning to pare back much of Credit Suisse's investment bank.

"Under normal circumstances, I would say it is an absolutely fantastic deal for UBS," said Johann Scholtz, equity analyst at Morningstar, covering European Banks, Amsterdam. "In the current environment, it is a bit more complicated as there is a lot of uncertainty generally in the markets."

Soon after the announcement, central banks including the Federal Reserve, the European Central Bank and the Bank of Japan said they would enhance dollar swap lines, helping calm investors rattled by turmoil in the banking sector. The failure of two US banks and a rout in Credit Suisse shares have sent shock waves through markets over the past week.

UBS will pay \$3.2 billion for 167-year-old Credit Suisse and assume at least \$5.4 billion in losses from unwinding its portfolio of derivatives and other risky assets. Credit Suisse had a market value of about \$8 billion at the close on Friday.

Holders of Credit Suisse's Additional Tier bonds will get wiped out and in a controversial move will come secondary to equity holders who will receive at least some UBS shares.

It marks a radical twist of fate for the banks. During the great financial crash, it was UBS and not Credit Suisse that needed state support

The banks' fortunes have diverged sharply over the past year. UBS earned \$7.6 billion in profit in 2022, while Credit Suisse lost \$7.9 billion. Credit Suisse's shares were down 74 per cent from a year ago, while UBS's are relatively flat.

UBS becomes the undisputed global leader in managing money for the wealthy, with UBS's leading position in China now complemented by Credit Suisse's strength in the rest of Asia, the fastest growing region. UBS also gets to keep the jewel in Credit Suisse's crown, the domestic bank.

"In the past, when a deal between Credit Suisse and UBS was discussed, a sticking point would be concentration, especially in the domestic market," said Morningstar's Scholtz. "It is also the most stable part of the business, that generates quite a lot of cash. If UBS is not required to do an IPO of it, it could make sense for them to keep it, there are lots of synergies."

Banglalink's revenue grows over 12% in 2022

STAR BUSINESS REPORT

Banglalink registered a double-digit growth rate in its revenue in 2022 driven by increased investment in 4G network, expanding coverage and enhancing network speed.

Revenue rose 12.1 per cent year-on-year to Tk 5,374 crore, according to the 2022 earnings report published by the telecom operator's parent company, VEON Ltd,

This was the third double-digit growth in consecutive

quarters. The operator's annual service revenue grew 12.3 per cent last year while data revenue surged 26.6 per cent.

The innovative and improved digital services also expanded the customer base last year, said Banglalink Chief Executive Officer Erik Aas while sharing the earnings report during a press conference at the corporate office of the operator in Dhaka yesterday.

"Banglalink embarked on a new era of growth as a digital powerhouse in 2022, delivering exceptional results across all segments. Our growth rate surpassed that of the industry by a two-fold margin."

He said by extending the fastest 4G network and delivering superior digital services to every corner of the nation, Banglalink has achieved the status of a truly national operator.

'Armed with our unparalleled speed and nationwide reach, we are poised to serve our customers with top-ofthe-line connectivity in the coming years."



A man walks past a jewellery shop at a gold market in Dubai. Prices of gold, seen as a safe store of value in times of turmoil, rose as high as \$2,009.73 in early morning deals yesterday.

Gold tops \$2,000 on Credit Suisse buyout

AFP, London

Gold topped \$2,000 per ounce for the first time in more than a year on Monday on haven demand as investors fretted over global bank fears despite the buyout of Credit

The precious metal, seen as a safe store of value in times of turmoil, rose as high as \$2,009.73 in early morning London deals. That was the highest level

since Russia launched its invasion of Ukraine just over one year ago. Gold later pared gains to stand at \$1,995, which marked a gain of 0.3 percent from late Friday. The metal has jumped

by almost nine percent in value since the collapse of US regional lender Silicon Valley Bank ten days ago. "Continued fallout from

the banking sector has seen a flood of money to gold" on "its safe haven qualities", said Kinesis analyst Rupert Rowling.