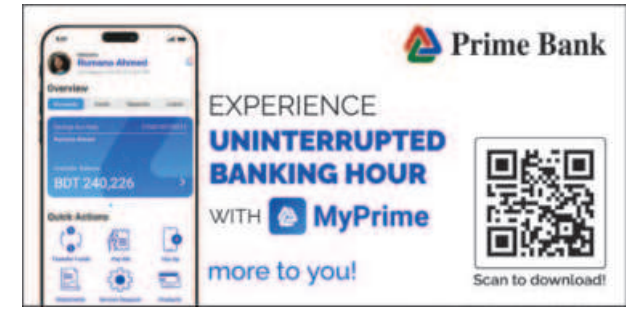


Star BUSINESS



RECOMMENDATIONS

- Raise tax-GDP ratio by taking steps against tax evasion
- Work intensively to widen tax net
- Give tax exemptions for limited time
- Establish integrated financial transaction system
- Train tax officials for improving tax efficiency
- Concentrate on reforming tax structure
- Withdraw tax exemptions from various sectors



TAX SITUATIONS IN SOUTH ASIA

South Asian countries	Tax-to-GDP ratio (%)	Corporate tax rate
Bangladesh	7.9	32.5
Bhutan	13.6	25
India	18.1	25
Nepal	20.3	25
Pakistan	12.2	29
Sri Lanka	12.6	24
Afghanistan	7.6	20
Maldives	20.5	15

SOURCE: TAX FOUNDATION 2021 AND OTHERS

SIZE OF INFORMAL ECONOMY AND ASSOCIATED TAX LOSS (In crore taka)

YEAR	SIZE OF ECONOMY (GDP)	INFORMAL ECONOMY AS % OF OFFICIAL GDP	TAX TO GDP RATIO	SIZE OF INFORMAL ECONOMY	TAX LOSS
2015	1,515,800	34.65	8.50	525,163	44,630
2016	1,732,800	34.77	7.32	602,503	44,085
2017	1,975,800	34.66	7.00	684,784	47,915
2018	2,250,400	34.65	7.73	779,881	60,299
2021	3,530,100	30.20	7.90	1,066,116	84,223

SOURCE: WORLD ECONOMICS AND 'BANGLADESH NATIONAL ACCOUNTS STATISTICS' DATA.

The amount of tax evasion is estimated to be eight times the social safety net and welfare expenditures.

Khondaker Golam Moazzem
Research director of CPD

Tax evasion costs Bangladesh up to Tk 223,000cr a year: CPD

STAR BUSINESS REPORT

Bangladesh is losing potential taxes from as low as Tk 41,800 crore to as high as Tk 223,000 crore every year because of tax evasion committed by individuals and corporates, said the Centre for Policy Dialogue (CPD) yesterday.

The amount of tax losses rises when tax avoidance is taken into consideration.

The think-tank said overall potential tax losses would be between Tk 55,800 crore and Tk 292,500 crore annually and this needs to be cut so that the country can meet its expenditures aimed at economic development and public welfare.

"The amount of tax evasion is estimated to be eight times social safety net and welfare expenditures," said CPD Research Director Khondaker Golam Moazzem while presenting a paper on "Tax Transparency in the Corporate Sector: Impact on Public Revenue of the National Budget" at a media briefing.

The CPD and the Christian Aid organised the briefing at the former's office in Dhaka to share the findings of a study.

"This is happening in multiple ways such as showing lower incomes, unethical support from tax practitioners, claiming more investment allowances, individuals reporting lower

incomes, and higher informal or cash-based transactions," said Moazzem.

The amount of tax avoidance is 200 per cent of the public health expenditure, he added.

The revelation of tax losses comes at a time when Bangladesh's fiscal space has been facing persisting strain for

lift the ratio to 12 per cent and an additional Tk 250,600 crore to raise it to 15 per cent.

The number of taxpayers who file income tax returns regularly is very low in a country of around 17 crore people.

Moazzem cited CPD's previous study, which found that 68 per cent of the people did not pay

pays tax," said the CPD.

The CPD conducted key informant interviews for the study, blaming tax avoidance for the 5 and 25 per cent of tax losses and evasion for 15-80 per cent of unrealised tax collection.

Other reasons for the tax losses are exemptions.

The research organisation said eight types of industries, including jute, textile and knitwear, are enjoying reduced tax benefits of 3 per cent to 15 per cent.

The size of the informal economy is one of the key reasons for tax losses for the economy, said the CPD, adding that Bangladesh suffered an estimated loss of Tk 84,200 crore in 2021 due to the dominance of informal activities.

The size of the informal economy was 30.2 per cent of GDP in 2021, said Moazzem.

In his paper, the economist blamed corruption, lack of efficient manpower and inadequate infrastructure for the lower tax-to-GDP ratio and higher tax evasion.

"In order to overcome the challenges, corruption needs to be addressed," he said.

The CPD suggested Bangladesh work intensively to widen the tax net and bring businesses that are out of the tax net.

According to the think-tank, tax exemptions and related

incentives should be offered for a limited time.

Moazzem recommended promoting cashless transactions, saying digitalisation should take place under the integrated financial transaction system.

"As the corruption of tax officials is claimed to be the major cause of tax evasion, this needs to be addressed."

He urged the government to set an annual target on reducing tax avoidance through the gradual phasing out of tax incentives, tax breaks and other concessions for the established sectors.

"The national budget should withdraw all kinds of non-transparent tax-related provisions, including provision for whitening black money since they contradict tax transparency efforts."

"The government has allowed the legalisation of black money and it is against tax fairness and tax transparency. Such opportunity should be cancelled in the upcoming budget," he said.

CPD Executive Director Fahmida Khatun said, "If the tax management can be made better, modern, transparent, logical and fair, the fiscal imbalance in the financial sector can be reduced to a large extent."

"The government needs to put in place a plan for the next five years, outlining where it wants to go in terms of raising revenue."



lower revenue generation against elevated expenses.

What is more, Bangladesh has one of the lowest tax-to-gross domestic product (GDP) ratios in South Asia, prompting economists and multilateral lenders to suggest increasing revenue collection to enhance the country's capacity to bankroll expenditures.

Bangladesh's current tax-to-GDP ratio stands at 7.9 per cent, way behind the ideal benchmark of 15 per cent. So, the country needs to collect an additional tax revenue of Tk 145,000 crore to

income tax even though they had taxable incomes.

"This is a major reason why the tax-GDP ratio is not increasing," he said. "The tax net is very narrow and it needs to be broadened."

Citing data from the Registrar of Joint Stock Companies and Firms and the National Board of Revenue, the economist said 45,000 out of 2,13,000 registered companies and firms filed returns.

"This implies that the corporate income tax compliance rate is 21 per cent. In other words, one in five registered businesses

Ceramics sales down as consumers cut back on expenses

JAGARAN CHAKMA

Sales of ceramics items have dropped by up to 20 per cent in Bangladesh as consumers cut back on their non-essential expenditures and the real estate sector faces a slowdown amid economic uncertainty and higher inflationary pressures, industry people said.

The prices of ceramic items have gone up owing to several factors such as the spike in raw material prices, the US dollar rate, transportation costs, and utility bills.

Manufacturers and traders say the cost of production in the ceramics sector has surged by 20 per cent to 30 per cent in the past eight months.

"The sales of ceramic products such as sanitary and tiles have gone down by around 20 per cent in the last six months owing to economic uncertainty and inflationary pressure," said Khourshed Alam, director for sales and marketing at Akij Ceramics Limited.



PHOTO: HABIBUR RAHMAN

"The price of ceramic items has increased 7 to 8 per cent during the same period. This has also affected the sales."

According to him, the production cost increased by 15 per cent to 20 per cent because of the tariff hikes of gas and power and the dollar price.

The taka has lost its value by about 15 per cent so far in the current financial year and about 25 per cent in the last one year against the US dollar, owing to the shortages of the American greenback.

Shamim Ahsan, a retailer in the capital, said the sales of ceramic products have improved from the lows of the coronavirus pandemic but they have not returned to the pre-Covid levels yet.

According to Alam, sales fell in rural areas as people don't feel interested in purchasing ceramic items due to higher consumer prices.

READ MORE ON B3

STOCKS	
DSEX ▼	CASPI
0.06%	Flat
6,213.45	18,316.92

COMMODITIES	
Gold ▲	Oil ▲
\$1,971.8	\$79.83
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.19%	▲ 0.52%	▲ 0.68%	▲ 0.72%
59,106.44	28,188.15	3,281.08	3,296.40

FRUIT PRODUCTION 5-year project now to take 10 years to complete

MD ASADUZ ZAMAN

Although the government has from time-to-time laid emphasis on the timely completion of projects, the agriculture ministry will seek a third extension for one on fruit production, taking the completion time to 10 years from an initial five years.

In its latest proposal, the ministry has sought an additional Tk 211 crore for the "Year-Round Production of Nutritious and High Value Fruits" project, which will take the total cost to Tk 671 crore.

The authorities have even proposed including some new components, according to planning commission documents.

One of them is to look after a 36-acre mango orchard situated in historic Mujibnagar Amrakanan in Meherpur.

Moreover, three new horticulture centres have been proposed to be set up in Gaibandha, Kustia and Jashore while another in Khagrachhari is set to be expanded.

The proposals are scheduled to be placed before the Executive Committee of the National Economic Council for approval today.

The Tk 195 crore project was undertaken in July 2015 and supposed to be implemented by the Department of Agricultural Extension (DAE) by June 2020.

In the first revision, it was extended by one year while the budget was increased by 53 per cent, taking the overall cost to Tk 299 crore.

READ MORE ON B3



As Bangladesh currently meets about 60 per cent of its demand for fruits through imports at an annual cost of around \$30 million, the government took the project with an aim to train farmers, increase production and subsequently reduce dependence on imports.

PHOTO: STAR/FILE

MoU today on resuming potato export to Russia

STAR BUSINESS REPORT

State-run Bangladesh Agricultural Development Corporation and private entity National Group Russia for Potato Export are expected to sign a memorandum of understanding today over the export of potato from Bangladesh to Russia.

Agriculture Minister Muhammad Abdur Razaque is scheduled to be present at the event in InterContinental Dhaka, according to the Ministry of Agriculture.

On May 6, 2015, Russia imposed a temporary ban on the import of Bangladeshi potatoes citing the presence of bacteria Ralstonia, which results in wilting and yellowing of leaves and stunted plants.

The ministry said 20,000 tonnes of potatoes were exported from

READ MORE ON B3



A farmer collects betel leaves being cultivated with the support of trees in Sangram Punji in Jafalong of Sylhet. Used as a stimulant, an antiseptic and a breath-freshener, betel leaves grown in some 100 gardens in the locality are in high demand for their taste and even exported to the UK and US. Every 70 betel leaves, called a "bira" in Bangla, are sold anywhere from Tk 250 to Tk 280. Around 214,652 tonnes were produced around the country in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken in the middle of last month.

PHOTO: SHEIKH NASIR

Dollar gains over oil output reduction plan

REUTERS, Singapore/London

The dollar rose against other major currencies on Monday as fears over inflation resurfaced after a surprise announcement by major oil producers to cut production targets further, with traders wagering the Federal Reserve may need to increase interest rates again at its next meeting.

The announcement on Sunday by the Organization of the Petroleum Exporting Countries (Opec) and its allies of output target cuts caused oil prices to jump by around 8 per cent in early trade in Asia on Monday.

Opec+ had been expected at a meeting on Sunday to stick to cuts of 2 million barrels per day (bpd) already in place until the end of 2023, but instead announced further output cuts of around 1.16 million bpd.

"A higher oil price will put pressure on global inflation and if we assume the banking turmoil continues to reside then the markets will increasingly focus on the inflation outlook," said Mohamad Al-Saraf, Associate, FX and Rates Strategy at Danske Bank.

Low-performing stocks climb on rumours

Dominate gainers' chart on DSE

STAR BUSINESS REPORT

Low-performing companies, known as B category stocks, dominated the gainers' chart on the Dhaka Stock Exchange (DSE) yesterday riding on the rumours that big investors are buying them in large volume.

The DSEX, the benchmark index of the premier bourse in Bangladesh, fell 4 points, or 0.06 per cent, to close the day at 6,213.

The DS30, the blue-chip index, dropped 0.09 per cent to 2,207 and the DSES, the shariah-compliant index, declined 0.30 per cent to 1,348.

All of the top five gainers' belonged to the B category. Samata Leather Complex, Bangladesh Autocars, Legacy Footwear, Union Capital and Standard Ceramic Industries all rose more than 8 per cent.

When a company fails to provide at least a 10 per cent dividend to its shareholders, it is downgraded to the B category from the A category.

"Some people spread rumours that

some big investors are taking positions in these companies so their prices would rise," said a stockbroker.

Of the traded securities on the DSE, 54 advanced, 69 declined and 207 did not show any price movement.

Turnover, an important indicator of the market, rose 8 per cent to Tk 575 crore.

The stocks on the DSE slipped into the red after a three-day break as risk-averse investors went for a quick profit-taking by selling off stocks and waited for new opportunities, said International Leasing Securities Ltd in its daily market review.

"The investors are cautiously reshuffling their portfolios based on upcoming earnings expectation of the December-end stocks."

Of the sectors, life insurance rose 0.7 per cent and travel was up 0.2 per cent. On the other hand, the paper sector was down 1.9 per cent, the jute sector declined 1.8 per cent, and the service sector shed 1.4 per cent.

Investors' attention was mostly centred on the IT sector, which accounted for 20 per cent of the day's turnover. The food sector constituted 10.5 per cent of the turnover.

Oimex Electrode topped the list of losers, shedding more than 4 per cent. BDCOM Online and JMI Hospital Requisite Manufacturing suffered substantial losses as well.

Bangladesh Shipping Corporation was the most-traded stock on the day with its shares worth Tk 42 crore transacted. Unique Hotel & Resorts, Genex Infosys, Eastern Housing, and Aamra Networks also saw significant turnover.

The stocks on the Chittagong Stock Exchange also fell.

The Caspi, the all-share price index of the bourse in the port city, was down one point to close at 18,316.

Of the issues, 38 rose, 35 retreated and 61 did not see any price movement. Turnover increased 68 per cent to Tk 11.84 crore.

Huawei to develop 50,000 ICT talents in South Asia

The plan will be implemented in the next five years

STAR BUSINESS REPORT

Global tech giant Huawei has taken an ambitious plan of developing 50,000 ICT talents in South Asia in the next five years.

The Chinese multinational will take various programmes like building ICT academies, organising different ICT and startup competitions, online course enrolment and fresh employee recruitment.

The announcement came in an event titled 'Building a Smart Talent Ecosystem. In South Asia, For South Asia' held at Huawei's representative office of South Asia in Dhaka today.

Yuying Karl, director for Bangladesh at Huawei's south Asia public relations department, shared the insight and plan at the event.

Huawei has recently established its South Asia representative office in Dhaka of Bangladesh, involving Nepal, Sri Lanka, Maldives, Bhutan, and Bangladesh itself.

This segment will be a sub-region of Huawei Asia Pacific region.

The main purpose of establishing this sub-regional office is to give more attention to the region and create better value for the customers, partners, ecosystem as well as society.

With that focus, Huawei has already developed more than 6,000 ICT talents last year in South Asia.

"Three things have been very important to Huawei. Supporting the industry with cutting-edge technology and infrastructure, sustainable development and cultivating ICT talents," Karl said.

Huawei is one of the leading companies that invested significantly in research and development, he said.

"By the end of 2022, we established Huawei ICT Academies with more than 2,200 universities across the globe. Through this programme, we train an average of more than 200,000 students each year."

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (APR 3, 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	0	3.23 ↑
Loose flour (kg)	Tk 55-Tk 58	-1.74 ↓	59.15 ↑
Lentil (kg)	Tk 95-Tk 100	0	0
Soybean (litre)	Tk 168-Tk 175	0.88 ↑	14.72 ↑
Potato (kg)	Tk 22-Tk 25	14.63 ↑	23.68 ↑
Onion (kg)	Tk 30-Tk 40	16.67 ↑	0
Egg (4 pcs)	Tk 40-Tk 45	-2.3 ↓	26.87 ↑

SOURCE: TCB



M Masud Rana, deputy managing director of Brac Bank, inaugurated a sub-branch at Uttara Sector 10 in Dhaka last month. Sheikh Mohammad Ashfaque, head of branches, and senior officials of the bank's distribution network were present.

PHOTO: BRAC BANK



Abdul Kadir Molla, chairman of the South Bangla Agriculture and Commerce (SBAC) Bank, inaugurated the bank's founding anniversary logo at its head office in Dhaka yesterday celebrating the bank's 10th anniversary. Habibur Rahman, managing director, Md Nurul Azim, Md Altaf Hossain Bhuyan, Md Abdul Matin and AKM Rashedul Hoque Chowdhury, deputy managing directors, and AKM Falzur Rahman, principal of SBAC Bank Training Institute, were present.

PHOTO: SBAC BANK

Asia's factory activity weakens as global demand falters

REUTERS, London/Tokyo

Global factory activity weakened in March as consumers feeling the pinch from rising living costs cut back, surveys showed on Monday, suggesting a deteriorating outlook will remain a drag on economic recoveries and keep policymakers on their toes.

Although factories across the euro zone saw a further decline last month, the cost of manufacturing fell for the first time since mid-2020.

S&P Global's final euro zone manufacturing Purchasing Managers' Index (PMI) fell to 47.3 in March from February's 48.5, just ahead of a preliminary reading of 47.1 but below the 50 mark separating growth from contraction for a ninth month.

An index measuring output, which feeds into a composite PMI due on Wednesday that is seen as a good guide to economic health, did however rise to a 10-month high of 50.4 from 50.1.

"Today's PMI results highlight that challenges remain for manufacturing companies. Although consumer demand has largely held across sectors, this could lessen gradually," said Thomas Rinn, global industrial lead at Accenture.

German manufacturing activity shrank in March at the fastest pace in almost three years, while weak demand continued to drag down France's factory sector as purchasing managers turned pessimistic about the 12-month outlook for their businesses.

In Britain, outside the European Union, manufacturers also slipped, but did turn more optimistic about the future as cost pressures and supply chain problems eased.

The improving supply chains and lower energy costs meant input

prices fell in the euro zone for the first time since July 2020 - just when the Covid-19 pandemic was cementing its grip.

But oil prices surged on Monday, posting the biggest daily rise in nearly a year, after a surprise announcement by Opec+ on Sunday to cut more production, likely adding to inflationary pressures.

Export-reliant Japan and South

China's Caixin/S&P Global manufacturing PMI stood at 50.0 in March, much lower than market forecasts of 51.7 and below February's 51.6.

The reading echoed slower growth in an official PMI released on Friday.

"The foundation for economic recovery is not yet solid. Looking forward, economic growth will still rely on a boost in domestic demand,



An employee works at a carbon fibre production line inside a factory in Lianyungang of Jiangsu province in China.

PHOTO: REUTERS/FILE

Korea both saw manufacturing activity contract in March while growth in China stalled, highlighting the challenge facing Asia as authorities try to keep inflation in check and fend off headwinds from slackening global economic momentum.

"With global growth set to remain weak in the coming quarters, we expect manufacturing output in Asia to remain under pressure," said Shivaan Tandon, emerging Asia economist at Capital Economics.

especially an improvement in household consumption," Wang Zhe, senior economist at Caixin Insight Group, said on China's PMI.

South Korea's PMI fell to 47.6 in March from 48.5 in February, its weakest in six months as export orders took a hit.

Japan's final au Jibun Bank PMI stood at 49.2 in March, up from February's 47.7 but remaining below the 50 threshold, as new orders contracted for a ninth-consecutive month.

United Airways' directors to face legal action

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) is going to take legal action against the board of directors of United Airways for their alleged involvement in irregularities.

The stockmarket watchdog took the decision in a commission meeting on March 30.

The BSEC is going to take the step according to the recommendation of an enquiry committee, which was formed to find out the reasons behind the fall of the private airline.

In 2021, the commission ordered the Dhaka and Chattogram stock exchanges to transfer United Airways to the over-the-counter board from the main trading board considering the high-risk level of the company due to its volatile market price and weak fundamentals.

In February 2016, United ceased flight operations without any announcement amid mounting losses.

BMSL's mutual fund gets go-ahead

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has given go-ahead to the BMSL National Housing Growth Fund.

The primary target of the open-ended mutual fund is to collect Tk 25 crore. Of that, the National Housing Finance and Investments has already provided Tk 2.5 crore and the rest of the fund will come from the general investors.

Mutual funds pool money from investors to channel it into securities such as stocks, bonds, and other assets. Depending on the profits earned, investors are then paid their share as dividends.



After seeing a slump earlier this year, shrimp exports from Bangladesh are slowly picking up again as the production period of white-leg shrimp has ended, creating an opportune moment for exporters to ship freshwater prawns amid rising global demand. PHOTO: STAR/FILE

Shrimp exports recovering from downturn

SOHEL PARVEZ

Shrimp exports are gradually recovering from a downturn earlier this year mainly due to increased demand and prices for freshwater prawn and partly for brackish water shrimp locally known as black tiger, two exporters said.

Export earnings from shrimp, the main item of the half-a-billion dollar export earning frozen and live fish sector, plunged as much as 32 per cent in the July-November period of the current fiscal year 2022-23.

The situation has been improving since then.

Frozen food processors recorded a 24 per cent slump in shrimp shipments for the US and European markets, showed data from the Export Promotion Bureau (EPB).

"We see the recovery as demand and prices of prawn has increased," said Kazi Belayet Hossain, president of the Bangladesh Frozen Foods Exporters Association (BFFEA).

Bangladesh grows black tiger shrimp and prawns for export mainly in the southwest coastal division of Khulna and the rest in the southeast division of Chattogram.

And the export proceeds from shipments of shrimp hit a six-year high in fiscal year 2021-22 and overall receipts stood at \$532 million by the end of the fiscal, according to EPB.

Earnings from the sector began to fall since August of this financial year, plummeting by as much as 32 per cent due to declining demand for locally grown black tiger shrimp.

Export earnings from shrimp plunged as much as 32 per cent in the July-November period of the current fiscal year of 2022-23

Oversupply white-leg shrimp, also called vannamei, caused its prices to fall and led to a downturn in prices and demand for locally grown shrimp, said S Humayun Kabir, director of BFFEA.

He said vannamei accounts for 77 per cent of the global demand for shrimp while Bangladesh's black tiger shrimp and prawns are comparatively larger in size and have higher prices.

However, after November, the demand for locally grown shrimp began to increase as the supply of vannamei reduced because of end of the production season.

"This created an opportunity for us to sell at higher prices from stocks that were built up earlier," Kabir added.

He then said Bangladesh is likely to enjoy the advantage over white-leg shrimp as harvesting of brackish water shrimp has already started here. On the other hand, harvests of vannamei start late.

"So, it is likely that we may get higher prices and higher demand for our shrimp in the export market," added Kabir, also managing director of Amam Seafood Industries Ltd.

BFFEA President Hossain, citing the formulation of a guideline for commercial cultivation of vannamei, said they would start cultivation of the non-native shrimp from the next fiscal year.

The government framed the guideline for commercial cultivation of vannamei species after experimental farming in three farms in the southern coastal region showed severalfold higher yields compared to that of locally farmed black tiger shrimp.

REDX announces freelancing model for logistics riders

STAR BUSINESS REPORT

REDX, the logistics wing of the country's e-commerce platform ShopUp, introduced a new freelance work model for delivery riders.

Under the new model, anyone can now make parcel delivery for REDX for a certain period at their convenience.

For that, one will have to get registered with the REDX app by uploading documents such as the national ID and driving licence.

The new model, which is based on work volume, rewards timely and efficient deliveries made by riders, said the company in a press release.

The primary implementation of the new model has yielded significant improvements, particularly during high-pressure scenarios, where scalability and capacity have been significantly enhanced, it added.

REDX merchants are also able to enjoy higher sales volumes due to faster delivery times.

"We are thrilled to see the positive impact this new work model has had on everyone, from our frontline workers to our valued merchants. We believe this change will have a lasting impact on the logistics industry and we are excited to continue to lead the way," said Junaid Ahmed, vice president for people and culture at ShopUp.

BASIS team takes part in major IT event in India

STAR BUSINESS REPORT

A 31-member team of the Bangladesh Association of Software and Information Services (BASIS) has recently taken part in Indiasoft 2023, a major IT event in New Delhi where globally renowned 85 information technology companies showcase their services.

During the two-day event held on March 27-28, BASIS members attended many conferences, seminars, workshops and meetings to expand business with different countries, BASIS said in a statement yesterday.

The BASIS delegation was led by Imran Hossen, co-chair of the BASIS web services standing committee and managing director of EyHost Ltd.

The companies across the world exhibited their services in the fair from where BASIS members came to know about the current global business trends, said Hossen.

BASIS President Russell T Ahmed said the association participated in various activities, including bilateral discussions with various countries, to expand IT businesses abroad.

"I believe that through our participation in Indiasoft, business cooperation and opportunities will be created in the ICT sector between Bangladesh and India."

Ahmed hoped participation of BASIS in the fair will help in widening the network among investors and IT professionals of different countries.

Ceramics sales down



The prices of ceramic items have gone up owing to several factors such as the spike in raw material prices, the US dollar rate, transportation costs, and utility bills. PHOTO: HABIBUR RAHMAN

FROM PAGE B1
Inflation in Bangladesh climbed to 8.78 per cent in February, breaking a five-month declining trend, according to the Bangladesh Bureau of Statistics. It stood at 8.80 per cent in the rural areas.

The demand for ceramic products has also declined in the housing sector as their sales have also fallen. Even, people have put on hold their plans to replace their old sanitary items with new ones, Alam said.

The industry has been facing trouble in opening letters of credit to import necessary raw materials owing to reluctance among banks because of the dollar crisis.

Bangladesh has 61 active ceramics manufacturers. Twenty of them produce tablewares, 25 make tiles, and 16 produce sanitary wares.

The industry produced more than 25.48 crore pieces of tablewares, nearly 21 crore square metres of tiles and over 1.83 crore pieces of sanitary wares in the fiscal year of 2021-22.

Irfan Uddin, general secretary of the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA), said sales of ceramics products have declined due to a price increase in line with the hike of gas, power and

dollar prices. According to him, the price of tablewares surged by around 30 per cent while the sales have dropped 18 per cent compared to a year earlier.

However, exporters have not been able to adjust the price accordingly since foreign buyers did not want to offer better rates, he said.

Still, the shipment of ceramic products rose 1.8 per cent year-on-year to \$32.3 million in the July-March period of the current financial year, data from the Export Promotion Bureau showed.

"We need an uninterrupted gas supply to tackle the situation. We should be allowed to open LCs to import raw materials," Irfan noted.

Md Mamunur Rashid, additional managing director of X Ceramics Group, says people are grappling with a higher cost of living so they don't have scopes to purchase non-essential items such as ceramics.

Ruslan Nasir, deputy managing director of Mir Ceramic Limited, says the ceramic business is related to the construction industry.

"Since the construction industry itself is now in the slow lane, its impact has fallen on the ceramics sector."

Besides, he said, low pressure of

gas is hampering the production of ceramic products. "Ceramic manufacturing units need full pressure of gas. Otherwise, the quality of products can't be ensured. Owing to the inadequate supply of gas, the ceramics sector is in trouble."

Avenue Sangma, brand manager of Tilotoma Bangla Group, says the housing sector has adopted a cautious approach owing to the ongoing economic uncertainty.

"This has affected the sales of sanitary products and tiles."

The company retails imported bath and spa solutions, wall and floor solutions and modular kitchen solutions in the premium segment.

"Since high end customers are our target clients, the business is slightly better in the premium segment compared to the general segment. But the overall sales in the ceramics sector are not impressive at the moment."

The market size of the local ceramics sector was Tk 7,247 crore in 2021-22, up from Tk 6,024 crore in the previous financial year.

Local manufacturers meet 87.29 per cent of the domestic demand, which has been growing at 12.71 per cent annually on average for the last few years, according to Irfan.

5-year project now to take 10 years

FROM PAGE B1
It was revised for a second time, with the cost raised to Tk 460 crore and tenure extended by another two years, meaning by June 2023.

The project was initially taken to train 4.76 lakh farmers, increase production and subsequently reduce fruit imports.

Currently, Bangladesh meets about 60 per cent of its demand for fruits through imports at an annual cost of around \$30 million.

The project also focuses on production of high yielding exotic fruits for export, according to the DAE.

Asked about the time overruns, Md Mehedi Masood, the project director, said the project sought the extra time and budget only for additional components.

Moreover, delays for the pandemic and in land acquisition also hampered the progress of the project, he said.

"We have already completed 91 per cent of our project and already set up 10 horticulture centres across the country," said Masood, also the deputy director of the DAE's horticulture wing.

Contacted, AKM Fazlul Haque, secretary to the agriculture, water resources and rural institutions division of the planning commission, said they received positive feedbacks during the initial implementation phases.

Asked about the time overruns, Haque said on getting the revision proposals, they have scrutinised the project and trimmed the proposed cost and asked to complete the project by June 2025.

"The DAE had sought around Tk 255 crore with some additional components. But we have subtracted some components and reduced its cost by Tk 44 crore," he said.

India factory activity hits 3-month high

REUTERS, Bengaluru

India's manufacturing sector expanded at its quickest pace in three months in March on improved output and new orders, although firms shed jobs for the first time in over a year, a private business survey showed on Monday.

Overall, the survey supports views that Asia's third-largest economy is better placed than many to weather the impact of a potential global downturn. The Indian economy was forecast to grow 6.9 per cent this fiscal year and 6.0 per cent next.

The Manufacturing Purchasing Managers' Index compiled by S&P Global increased to 56.4 in March from February's 55.3, remaining above the 50-mark threshold that separates growth from contraction for a 21st straight month. It was higher than a Reuters poll forecast of 55.0.

"Underlying demand for Indian goods remained strong in March... Hence, production continued to expand at a robust clip and firms stepped up their stock-building efforts," Pollyanna De Lima, economics associate director at S&P Global Market Intelligence, said in a release.

The new orders sub-index, which tracks overall demand, rose last month and foreign demand expanded at a quicker rate from February. Output grew at the strongest pace since December.

However, that improvement did not translate to increased hiring as job market conditions darkened, slipping back into contraction for the first time in 13 months although the pace of job shedding was minimal.

Optimism about future output slipped to an eight-month low due to concerns surrounding competitiveness and general inflation.

While input cost inflation retreated to its second-lowest mark in 2-1/2 years, firms did pass on some of the pressures of greater labour and raw material costs to customers. The output prices sub index rose to 52.0 from 51.8.

That would likely keep retail inflation elevated over the coming months. Inflation was expected to average 6.7 per cent this fiscal year and then slow to 5.2 per cent in the next, remaining above the Reserve Bank of India's 4.0 per cent medium-term target, a Reuters poll showed.

MoU today

FROM PAGE B1
Bangladesh to Russia in 2015.

Due to the country's sanctions, exports fell from 91,000 tonnes to 40,000 tonnes in the fiscal year 2015-16.

"We have taken the initiative to export potatoes to Russia. Export will begin this year," Razzaque said after a meeting with Russian Ambassador Alexander Vikentyevich Mantytskiy at Bangladesh Secretariat recently.

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, said the ministry.

Bangladesh exported 64,773 tonnes of potato to Saudi Arabia, United Arab Emirates, Myanmar, Nepal, Singapore, Malaysia, Sri Lanka and other countries in fiscal year 2020-21, it said.

Bangladesh exported 80,437 tonnes in 2021-22 and 11,235 tonnes till November this fiscal year, it added.



Traders are seen bringing boatloads of watermelon into Barishal city at Kirtankhola river port, which is the second largest and busiest riverport in Bangladesh. However, rotten watermelons are seen floating in the waters below as much of the fruit grown in the region has been damaged by heavy hailstorms.

PHOTO: TITU DAS

Hailstorms wreak havoc on watermelon farms

Poor market price also leading to losses, farmers and traders say

SUSHANTA GHOSH, SOHRAB HOSSAIN and DIPANKAR ROY

Although watermelon yields have been good this year, a section of farmers in Barishal and Khulna are facing heavy losses due to heavy hailstorms and poor market price amid the final stage of harvesting.

Watermelons grown on some 3,124 hectares of land across the two regions have been damaged so far, leading to collective losses of more than Tk 250 crore, according to the Department of Agricultural Extension (DAE).

About 35,000 hectares of land in Barishal were brought under watermelon cultivation this year and considering an average yield of roughly 30 tonnes per hectare, the region should bear about 10 lakh tonnes of the fruit worth over Tk 3,000 crore at the current market price.

However, farmers would have received almost double the price just one month back.

At present, watermelons are being sold for Tk 20-25 per kilogramme (kg) from the field level while it was Tk 50-60 per kg as recently as 10 days back.

Rainstorms have already damaged the watermelons on some 28.24 lakh hectares of land in Barishal, amounting to over Tk 200 crore in losses. The most affected district is Bhola, where about 1,800 hectares, or 10 per

cent of the area's total acreage, have been affected.

In Patuakhali, around 1,000 hectares of the fruit worth about Tk 40 crore have been damaged.

In addition, 24 hectares of watermelon worth Tk 3 crore have been damaged in Barguna, as per sources at the local DAE office.

Karthik Dutta, secretary of the Barishal District Fruit Traders Association, said around 40,000 watermelons arrive at the Kirtankhola river port through 20 trawlers each day.

"But at least 20 per cent of these fruits are too damaged for sale," he added.

Mosharrar Sikder, a farmer from Char Fasson upazila in Bhola, said he had brought 4,000 watermelons to a wholesale market near the port in Barishal city.

But after it was found that just 2,400 of these watermelons were of good quality, Sikder was forced to throw the rest into the nearby Kirtankhola river.

As such, he earned just Tk 1 lakh after having spent upwards of Tk 10 lakh to grow the fruit on eight acres of land.

Ibrahim Titu, a fruit trader at the wholesale market, said at least one-third of the watermelons brought by each trawler are rotten.

Hasan Waridul Kabir, deputy director of the Bhola DAE, said 8 to 10 per cent of the watermelons



grown across 18,000 hectares of land in the region are either damaged or fully rotten.

Around 10 per cent, or Tk 200 crore worth of watermelon, has gone to waste with only those who planted the fruit early having benefited by harvesting them before the rains came.

Patuakhali accounts for a majority of the watermelon produced in Barishal as some 28,750 hectares of land in the district were brought under cultivation.

Of the total acreage, 1,000 hectares worth Tk 40 crore have been damaged, informed Nazrul Islam, deputy director of the Patuakhali DAE.

"Due to heavy hailstorms for the past week, watermelon grown in the Char Kajal, Boalia, Char Biswas and Kalapara areas

have been damaged," he added.

Badrul Alam, additional deputy director of the Barguna DAE, said 24 hectares of the 15,838 hectares of land brought under watermelon cultivation in the district have been damaged, amounting to Tk 3 crore losses.

In Khulna, heavy rainfall has destroyed more than 300 hectares of watermelon worth Tk 10 crore, as per sources at the Khulna DAE.

Upal, a farmer of Banishanta union under Dacope upazila, said he cultivated three bighas of land to cover last year's losses.

"But now I am worried about the rain and price," he added.

Upal went on to say that two bighas of his land are now submerged.

"The irony is that I spent Tk 3,200 for irrigation 20 days ago

but am now having to pay Tk 780 for draining water from the field," he said.

Ismail Hossain, a farmer of Pankhali union under the same upazila, said he grew watermelon on 10 bighas of land last year but reduced cultivation to six bighas of land this year.

"Still, untimely rain has ruined my fate as four bighas of land were affected by hailstorms," he added.

KM Maksudunnabi, agriculture officer of Dacope upazila, said that rain has damaged some fields but it would not affect overall production as yields are better than last time.

On March 21, a daylong torrential downpour destroyed 203 hectares of watermelon worth about Tk 10 crore at Koyra upazila, where farmers cultivated 1,200 hectares of the fruit.

Asim Kumar Das, in-charge of the agriculture department in Koyra Upazila, said farmers had started cultivation earlier to reduce losses.

Nevertheless, watermelons grown on 203 hectares of land were completely destroyed by one day's heavy rain, leading to losses of about Tk 10 crore.

Md Mosaddek Hossain, additional deputy director of the Khulna DAE, said he expected farmers to overcome last year's losses through good yields this year, but hailstorms have dashed such hopes.

Five Ps for a sustainable future

MD TOUHIDUL ALAM KHAN

As a United Nations member state, Bangladesh has pledged to accomplish the Sustainable Development Goals (SDGs) by 2030. The SDGs urge all countries to take action towards ending poverty, preserving the planet, and promoting universal peace and prosperity.

In Bangladesh, attaining the SDGs demands a collaborative approach from all stakeholders, including the government, the private sector, civil society, universities, and individuals. The SDGs revolve around five fundamental pillars: people, planet, prosperity, partnership, and peace, which can be realised through the 5 Ps blueprint for a sustainable future in Bangladesh.

The people component of the SDGs focuses on poverty eradication and human development. Bangladesh has made significant progress in reducing poverty and achieving universal primary education, but there are still challenges related to gender equality, women's empowerment, and reducing inequality.

The government has taken initiatives, such as increasing access to education, healthcare, and social protection, to improve the lives of people.

Bangladesh is one of the most vulnerable countries to the impacts of climate change, making the planet component of the SDGs crucial. The government has set targets to raise the share of renewable energy in the country's energy mix and increase forest coverage to address deforestation.

Bangladesh has also made progress in improving access to clean water and sanitation. The prosperity component aims to ensure economic growth and development in a sustainable manner. Bangladesh has experienced remarkable economic growth over the past few decades, and the government is taking initiatives to ensure that this growth is sustainable and inclusive.

The partnership component of the SDGs emphasises cooperation between stakeholders to achieve the goals. The government has established a dedicated SDG implementation and monitoring unit to coordinate and monitor the implementation of the goals. The government is also working closely with the private sector and civil society to achieve the SDGs.

Bangladesh has made significant progress in ensuring peace and security, which is crucial for the peace component of SDGs. The government has taken measures to strengthen institutions, reduce violence, and promote human rights. There are still challenges related to political stability and human rights that need to be addressed.

In Bangladesh, the successful implementation of the SDGs requires significant investments and innovative financing. The implementation of the SDGs is estimated to require \$66 billion annually, which is about 20 per cent of the country's GDP. In this respect, the government has identified priority areas for investment and is working to mobilise resources from both domestic and international sources.

To effectively implement the SDGs, a thorough comprehension of all objectives is essential, with a particular emphasis on the crucial role of climate change. Climate change poses a challenge that affects all of humanity and goes beyond religious, cultural, and geographic boundaries. To tackle this challenge, we must exercise wisdom and common sense to coexist with nature in a sustainable manner.

As former UN Secretary-General Ban Ki-moon aptly stated, "Nature does not negotiate with human beings. We must adapt to nature, as it is our only choice. Additionally, it's crucial to keep in mind that we have only one planet, and there is no alternative since there is no Planet B."

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1 crore family cards to be turned into smart cards

Says Tipu Munshi

STAR BUSINESS REPORT

The government is turning the one crore family cards, which are used by low-income groups to buy essentials at subsidised rates, into smart cards to fix loopholes, Commerce Minister Tipu Munshi said yesterday.

"The process of converting the hand-written family cards into smart cards is underway," he said at the inauguration of the second phase of the sales of goods by the Trading Corporation of Bangladesh (TCB) in the capital's Uttara, according to a press release of the commerce ministry.

Some anomalies in the hand-written cards could easily be resolved if they are converted into smart cards with QR code features, he added.

A pilot project has already been completed to turn the hand-written cards into smart ones in the areas under the Dhaka North City Corporation, the Narayanganj City Corporation and the Barishal City Corporation, said the press release.

State-run TCB usually sells essentials such as soybean oil, lentil, onion, and sugar among one crore families across the country at lower prices once a month. Each cardholder is eligible to buy one kilogramme of sugar, two kgs of lentil, two litres of soybean, and two kgs of onion.

But the agency will sell the essentials twice this Ramadan as low-income households have kept feeling the pinch of higher inflation.

Inflation in Bangladesh climbed to 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.



An oil tanker unloads imported crude oil at Qingdao port in China's eastern Shandong province. Oil prices surged in the global market yesterday after the Organisation of the Petroleum Exporting Countries (Opec) and their allies, including Russia, shook markets by announcing further production cuts of about 1.16 million barrels per day on Sunday.

PHOTO: AFP/FILE

Oil price surges amid surprise output cuts

REUTERS, London

Oil prices surged yesterday in the global market, posting the biggest daily rise in nearly a year, after a surprise announcement by Opec+ to cut more production jolted markets.

Brent crude was trading at \$84.22 a barrel by 0900 GMT, up \$4.33, or 5.4 per cent, after touching the highest in a month at \$86.44 earlier in the session.

US West Texas Intermediate crude was at \$79.84 a barrel, up \$4.17, or 5.5 per cent, after earlier hitting the highest level since late January.

The Organisation of the Petroleum Exporting Countries and their allies including Russia shook markets by announcing further production cuts of about 1.16 million barrels per day (bpd) on Sunday.