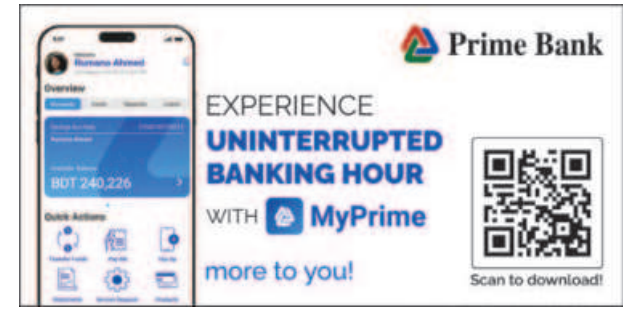


Star BUSINESS



WEEKLY INTERVIEW



Ghulam Rahman

Amnesty to legalise black money unethical Says CAB chief

JAGARAN CHAKMA

The Consumers Association of Bangladesh (CAB) chief has voiced its opposition to the apex trade body's demand to reintroduce the facility of unconditional amnesty to the investments of black money in the real estate sector.

Last week, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) sought the reinstatement of the unquestioned legalisation of undisclosed assets for five to 10 years in the housing sector in order to curb capital flight.

But Ghulam Rahman, president of the CAB, opposed the demand, saying such scope would encourage the illegal accumulation of wealth.

"The amnesty to black money is unethical," he said.

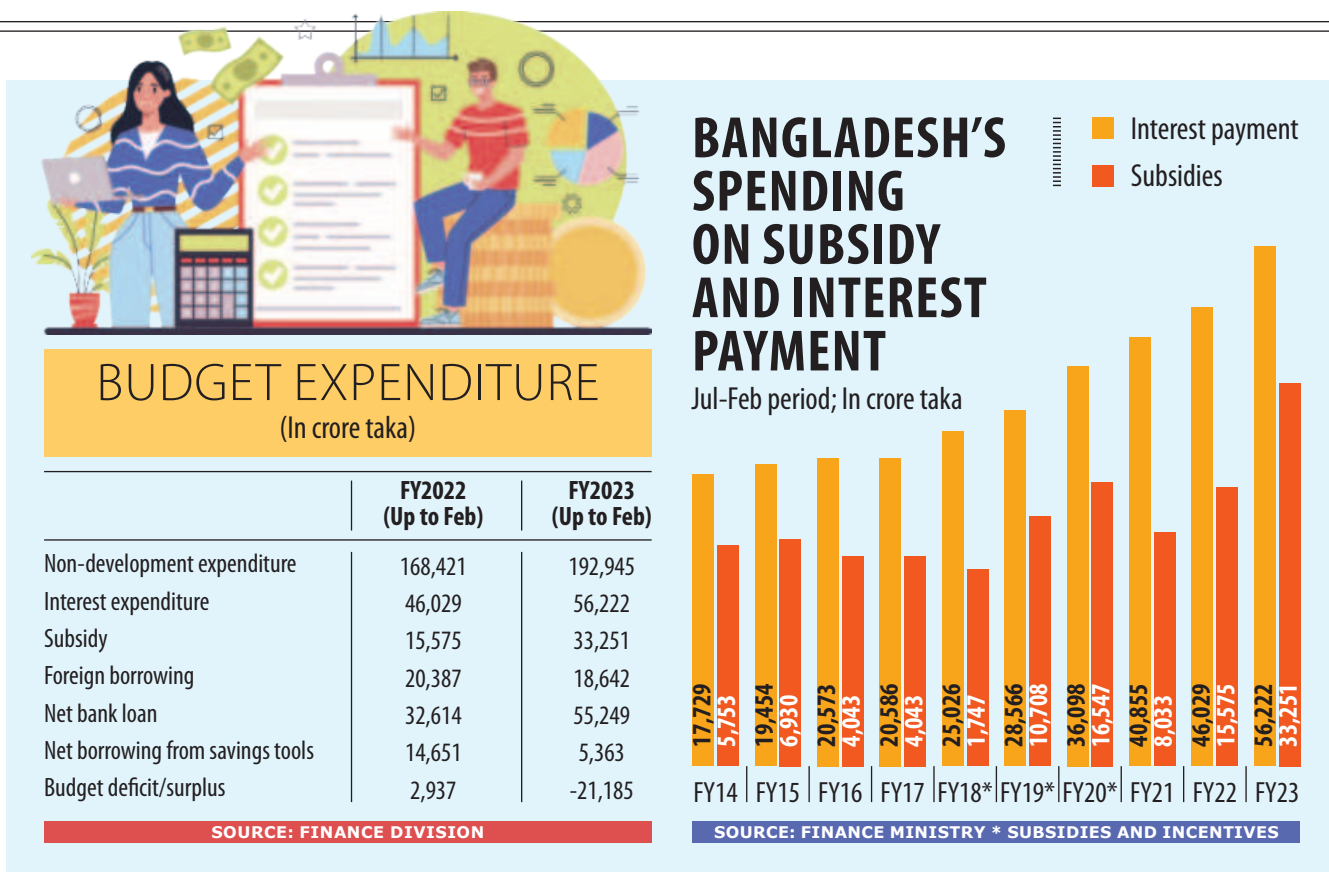
Rahman, also a former chairman of the Anti-Corruption Commission, says he does not believe that such an amnesty would pull investments in the real estate sector and develop the capital market.

People can already legalise their untaxed money under existing laws by giving penalties.

In Bangladesh, there are people who have earned money through legal ways but have not shown them in their income tax returns. Such assets have become untaxed assets.

The existing rules allow this group of untaxed money-holders to whiten their assets. Government agencies can raise

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Subsidy, interest bills highest in a decade

REJAUL KARIM BYRON

Bangladesh's spending on subsidies and interest payments surged 45 per cent year-on-year in the first eight months of this fiscal year, turning out to be the highest in at least a decade.

This resulted from an increased payment requirement from the coffers particularly to provide fertiliser, food and electricity at subsidised rates.

From July to February in fiscal year 2022-23, the government spent Tk 56,222 crore behind interest payments of its domestic and foreign loans, registering a 38 per cent year-on-year growth.

Meanwhile, subsidy spending more than doubled to Tk 33,251 crore whereas it was Tk 15,575 crore in the same period a year ago.

Together, the government's spending for interest payment and subsidies stood at Tk



89,473 crore during the period, which was 65 per cent of the total allocation for the current fiscal year.

Zahid Hussain, former lead economist at The World Bank Dhaka, said the government was distributing certain essential commodities at subsidised rates to one crore poor and low-income families through the Trading Corporation of Bangladesh.

It is to provide them a cushion from high inflation, he said.

The government is also selling the staple food, rice,

through open market sales at subsidised rates, he said, reasoning the spike.

Meanwhile, the government had hiked the prices of fertiliser - urea twice while diammonium phosphate, triple superphosphate and muriate of potash once.

However, the pressure of subsidies on the state exchequer for the vital crop production ingredients still remains high because of an increase in the import cost, mainly for the depreciation of the taka against the dollar.

Taka lost 14 per cent in value against the dollar since June 30 last year, showed Bangladesh Bank data.

In a statement last week, the agriculture ministry said overall subsidy requirement for fertiliser was estimated at Tk 46,000 crore in the current fiscal year, up from Tk 28,000 crore in the previous fiscal year of 2021-22.

Hussain said Bangladesh was yet to come out from the subsidy requirement for electricity although its price had been hiked.

The power and energy ministry increased prices of electricity twice by over 10 per cent since January this year.

However, the pressure of subsidy for the power sector has increased and it is estimated to be Tk 27,000 crore this year.

So, overall pressure on the state coffers for subsidies for agriculture, power and food

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COVID-19 AND WAR A perfect storm for SMEs

AHSAN HABIB

The business sector in Bangladesh has been going through severe challenges for the past four years, which, for many, have been the toughest period in decades, with the coronavirus pandemic being the dominant factor in the early part before the Russia-Ukraine war broke out. Today, we are running the fifth report of a series to present how various sectors fared in the face of the two unprecedented shocks.

Jalal Ahmed ran a waist belt-producing factory in Narayanganj's Nitaipur area till 2020, employing five artisans and six workers, supplying goods to the businesses in the capital's Chawkbazar. This allowed him to pay salaries to his workers regularly.

The outbreak of Covid-19 in March 2020 changed everything for him.

In the first few weeks after the government enforced countrywide lockdown, which prompted factories to shut, the entrepreneur was giving ration money as usual on a weekly basis to his employees. But after two months, he could not continue this as revenue stream dried up amid plummeting of sales.

The factory resumed operation after a few months following loosening of lockdown rules. But orders did not pick up to the expected level, forcing him to downsize the factory before shutting it again in 2021 amid the second wave of the pandemic, letting go of his workers.

"At that time, it seemed to me that everything was over for me," said Ahmed last week.

Finding no other way, he opened a small grocery shop adjacent to his factory to feed his

READ MORE ON B3

\$200M BB LOAN Lanka gets more time to pay back

STAR BUSINESS REPORT

Bangladesh has extended the repayment period of the loan it had given to Sri Lanka by six more months as the Island nation continues to struggle to fix its debt crisis, officials say.

Earlier, the central bank of Sri Lanka had sought time from Bangladesh to make the first instalment of the \$200 million credit by March this year, hoping that it would be able to restructure its debt by then. However, the restructuring was not done.

"Now, Sri Lanka is seeking six more months and said it would make its first instalment by August this year and another instalment by September," said Bangladesh Bank Governor Abdur Rouf Talukder.

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Most markets near Dhaka New Super Market, where a fire broke out yesterday, were kept closed as a safety measure till afternoon, severely affecting their pre-Eid sales. The photo was taken around 2:00pm. PHOTO: MD ASADUZ ZAMAN

NEW SUPER MARKET FIRE

Sales at neighbouring clothes hubs take a hit

SUKANTA HALDER and MD ASADUZ ZAMAN

Yesterday's blaze at Dhaka New Super Market has severely affected trade of nearby markets, that too with just a week to go before Eid-ul-Fitr.

Eid-ul-Fitr is one of the biggest religious festivals in Muslim-majority Bangladesh and the volume of clothing sales increases severalfold ahead of the festival.

Housing thousands of shops,

Dhaka New Market, Chandrima Super Market, Noorjahan Super Market, Gausia Market, Noor Mansion Shopping Center, Chandni Chowk Shopping Complex, Dhanmondi Hawkers' Market, Nehar Bhaban, Badruddoza Super Market and Globe Shopping Centre enable affordable Eid shopping for low and middle-income people.

Crowds usually throng the markets prior to Eid and it was expected to be especially busy due

to it being the last weekend before the festival.

Instead, shoppers who were apparently oblivious of the fire were found returning home on finding shops shuttered till afternoon. From 3:00pm onwards some opened, but most remained closed.

While fighting the blaze since early morning, the fire service on megaphones had asked keeping the neighbouring stores shut.

READ MORE ON B3

এসে গেলো eRin যখন খুশি তখন নিন দেশের প্রথম আর্থিক অন্তর্ভুক্তিমূলক ডিজিটাল ব্যাংক লোন

এই প্রথম দেশের ভেতর যে কোন জায়গা থেকে অনলাইনে সাধারণ কিছু ডকুমেন্টস প্রদান করে ৫০,০০০ টাকা পর্যন্ত তাৎক্ষণিকভাবে গ্রহণ করুন ঢাকা ব্যাংক eRin জীবন এখন ভাবনাহীন, এসে গেছে ঢাকা ব্যাংক eRin

ঢাকা ব্যাংক eRin অ্যাপ Google playstore থেকে ডাউনলোড করুন

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DHAKABANK LIMITED

US retail sales post steeper fall than expected

AFP, Washington

Retail sales in the United States slipped more than anticipated in March, according to government data released Friday, extending a downward trend that signals cooling in the economy.

The US central bank has raised interest rates steeply since early last year to lower demand and rein in high inflation, and there are signs that its policy is starting to bite.

Retail sales fell by one per cent in March from a month prior, to \$691.7 billion, said the Commerce Department, adding that February's contraction was revised to a smaller 0.2 per cent as well.

But compared with the same period last year, retail sales were still 2.9 per cent higher.

Dhaka Bank launches 'eRin' app

STAR BUSINESS DESK

Dhaka Bank recently launched an "eRin" app through which a customer can apply for an unsecured personal loan of up to Tk 50,000 for disbursement within two hours on banking days.

Customer can apply for the loan 24 hours a week anywhere from Bangladesh without submitting any physical documents.

Emranul Huq, managing director of Dhaka Bank, and Syed Ali Jowher Rizvi, chairman of CASHe Alliance (technology partner), inaugurated the product at the bank's head office in Dhaka, said a press release.

Mohammad Abu Jafar, additional managing director, Deepak Hazarilal Saluja, vice-chairman of CASHe Alliance, and Lutfe Mawla Ayub, director, were present.



Abu Farah Md Nasser, deputy governor of Bangladesh Bank, inaugurated a two-day fair titled "Tara Uddokta Mela 2023" organised by Brac Bank at Alok Convention Centre on Gulshan-Tejgaon Link Road in Dhaka on Friday. Maksud Begum, executive director of the central bank, Md Mafizur Rahman, managing director of SME Foundation, and Selim RF Hussain, managing director of Brac Bank, were present.

PHOTO: BRAC BANK



Emranul Huq, managing director of Dhaka Bank, and Syed Ali Jowher Rizvi, chairman of CASHe Alliance (technology partner) inaugurated an end-to-end digital loan app "eRin" at the bank's head office in Dhaka recently.

PHOTO: DHAKA BANK

Brac Bank fair promotes products of women entrepreneurs

STAR BUSINESS DESK

Brac Bank organised a two-day fair titled "Tara Uddokta Mela 2023" in Dhaka to promote products of women entrepreneurs and create a market for their "Made-in-Bangladesh" products.

Abu Farah Md Nasser, deputy governor of Bangladesh Bank, inaugurated the fair at the Alok Convention Centre on Gulshan-Tejgaon Link Road in Dhaka on Friday, said a press release.

A total of 50 female entrepreneurs from across the country are showcasing Bangladeshi products at the exposition.

The displayed products included hand-stitched clothing, handmade crafts, clay and jute items, processed leather goods, Jamdani sari, and organic foods.

Moreover, a group of entrepreneurs also showcased traditional indigenous products, clothing, and handicrafts made of bamboo and cane.

Brac Bank provided technological support enabling digital payments, including card and QR code-based payments.

"We have a plan to organise many such fairs with products of women entrepreneurs nationwide annually. Holding this fair shows our strong commitment to women entrepreneurs in the country," said Selim RF Hussain, managing director of Brac Bank.

Maksud Begum, executive director of Bangladesh Bank, Md Mafizur Rahman, managing director of SME Foundation, and Syed Abdul Momen, deputy managing director of Brac Bank, were present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (APR 15, 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	-4.24 ↓	50.67 ↑
Lentil (kg)	Tk 95-Tk 100	0	0
Soybean (litre)	Tk 168-Tk 175	0.88 ↑	13.58 ↑
Potato (kg)	Tk 25-Tk 30	52.78 ↑	52.78 ↑
Onion (kg)	Tk 30-Tk 40	16.67 ↑	27.27 ↑
Egg (4 pcs)	Tk 42-Tk 45	2.35 ↑	29.85 ↑

SOURCE: TCB

Government of the People's Republic of Bangladesh

Local Government Engineering Department
Resilient Urban and Territorial Development Project
LGED-RDEC Bhaban (Level-5), Agargaon
Sher-e-Bangla Nagar, Dhaka-1207
www.lged.gov.bd



Memo No. 46.02.0000.794.14.05.23-37

Date: 13/04/2023

Request for Expressions of Interest (Consulting Services - Firms Selection)

Country: Bangladesh

Name of the Proposed Project: Resilient Urban and Territorial Development Project (RUTDP)

Loan No./Credit No./ Grant No.:-----

Assignment Title: Consulting Services for Design, Supervision, and Management (DSM)

Reference No.: Contract Package Number-RUTDP/PMU/S-01

1. The People's Republic of Bangladesh has applied for financing from the World Bank toward the cost of the Proposed Resilient Urban and Territorial Development Project (RUTDP) and intends to apply part of the proceeds for consulting services for Design, Supervision and Management (DSM).

The broad scope of consulting services ("the Services") includes feasibility of sub projects, detailed design preparation, environmental impact assessment and social assessment following the environment and social management framework, economic analysis, financial analysis, prepare & check detailed cost estimate of subprojects, supervision and monitoring of civil works; assist in preparation of bidding documents, capacity development of ULB's, reporting etc. The DSM Consultant will review detailed designs, estimates, environmental impact assessment and social assessment, economic analysis, financial analysis of subprojects prepared for 1st year of the project within 2 months of DSM mobilization and necessary corrective measures.

2. The objectives of the consultancy services are to support LGED and the targeted ULBs in preparation of different types of subprojects in consultation with stakeholders in accordance with the defined technical standards and specifications, and are cost-effective; proper and effective supervision, cost control, quality control and contract management of all civil works subprojects under the project; and ensure timely, cost effectively, transparently in project implementation and management. The proposed menu of potential investments in the ULBs includes development of resilient basic urban infrastructures including urban roads with streetlights; drains with footpaths; small bridges and culverts; public toilets; bus-terminals; kitchen markets; super markets/multipurpose markets; street lightings; community centers; municipal buildings, parks/public place development. The project will also support the operation and maintenance activities of the participating ULBs.

3. The Project Management Unit (PMU) and the participating ULBs will require consultants' support on a range of activities related to conducting feasibility/appraisal of sub project proposals (both for new investment and O&M enhancement), survey & investigation, engineering design, estimating and preparation of BOQs and bid documents, supervision and quality control, knowledge transfer, and overall project management. For this purpose a Design, Supervision and Management (DSM) consulting firm will be engaged for a period of approximately 6 (six) years. The DSM Consultants will also provide support in the areas of procurement of goods and works, social and environmental safeguard management, and climate change mitigation and resilience of all planned investments/activities funded under the project consistent with World Bank Policies and guidelines.

4. The services will require both national and international inputs.

5. The Local Government Engineering Department (LGED) now invites eligible consultants to indicate their interest in providing the services. Interested consultants should provide information indicating that they have the required qualifications and relevant experience to perform the services. The short listing criteria are:

- General Experience of the Firm in providing similar services (core business and years in business);
- Experience in similar assignments of compatible size, complexity and technical specialty in the

required areas: Consultancy services for design, construction supervision, contract management; c) Experience in development partners funded similar Projects.

Consultants are requested to submit, but not limited to, the following supporting documents in support of the above-mentioned criteria:

(i) The Firm's Incorporation/Trade/registration documents from the country of the firm (ii) Firm's brochures; (iii) description of similar consultancy contracts, including the scope, contract amount, name of Client, period of the contract (date of contract signing to date of completion), location/country of the services, etc.

6. The attention of interested Consultants is drawn to the Section III, Para 3.14, 3.16, and 3.17 of the World Bank's "Procurement Regulations for IPF Borrows, July 2016 and updated in November 2020 (Procurement Regulations)," setting forth the World Bank's policy on conflict of interest.

7. A consulting firm is allowed to submit the expression of interest alone if it considers itself to be fully qualified on its own for the assignment. Alternatively, consultants may associate with other firms to enhance their qualifications and capability, however, then such association shall either be as a Joint Venture (i.e. all members of the joint venture shall be jointly and severally liable) and/or Sub-consultants (i.e. the Consultant will be responsible, including for the services of the sub-consultant). In case of an association, the Consultants must explain in the EOI submission (a) the rationale/justification for the proposed inclusion of the JV members and/or sub-consultants in the association; and (b) the anticipated role and relevant qualifications of each member of the Joint Venture and/or of each sub-consultant for carrying out the assignment. Failure to provide the above explanation in the Expression of Interest may risk the association not being shortlisted for the assignment. However, the qualifications/ experience of sub-consultants will not be considered by the Client in the evaluation of Expressions of Interest for Short listing purposes.

8. If shortlisted, Consultants will still have opportunity at the subsequent proposal preparation stage to further enhance their expertise for the assignment by associating with non-shortlisted consultants in the form of a Joint Venture or as Sub-consultants. In all such cases, the Consultant must obtain the written approval of the Client prior to the submission of the Proposal, justifying the rationale for such association and specifying the role and relevant qualifications of the proposed associate(s) for the assignment. In case of associating with non-shortlisted firms, the shortlisted Consultant shall be a lead member. However, Instruction to Consultant (ITC) clauses of RFP will prevail in this regard. The total number of firms in an association including the Lead Firm will be maximum 4 (four).

9. A consulting firm will be selected in accordance with the Quality and Cost Based Selection (QCBS) method as set out in the Procurement Regulations.

10. Expected date for commencement of the services is October, 2023 and the tentative duration of the entire assignment is about 66 (sixty-six) months. A draft TOR can be found at the following website: www.lged.gov.bd. The draft TOR or any further information can be obtained at the address of the undersigned given below, during office hours from 9:00am to 5:00pm Bangladesh Standard Time (BST).

11. Expressions of Interest must be delivered in a written form to the address below (in person or by mail or by e-mail) by 1:00pm (BST), May 22, 2023.

Sincerely yours,

Md. Monjur Ali
Project Director

Resilient Urban and Territorial Development Project
(RUTDP)

Local Government Engineering Department
LGED-RDEC Bhaban (Level-5), Agargaon
Sher-e-Bangla Nagar, Dhaka-1207, Bangladesh
Phone: +88-02-44826376
E-mail: pd.rutdp@lged.gov.bd

Large US banks report higher profits

AFP, New York

JPMorgan Chase reported a jump in first-quarter profits Friday alongside fellow banking giants Citigroup and Wells Fargo, in reassuring news to investors after recent banking sector turmoil sparked contagion fears.

The first substantial look at the sector — since last month's collapse of Silicon Valley Bank and two other midsized banks — showed large banks are still benefiting in some ways from the Federal Reserve's shift towards higher interest rates and from a still-healthy US consumer.

But JPMorgan's better-than-expected results came as it warned again of a potential economic downturn while adding \$1.1 billion in reserves in case of bad loans.

Both Citigroup and Wells Fargo also added reserves in light of the uncertain backdrop, with the latter pointing to commercial real estate — broadly seen as a vulnerable area in finance.

Friday's results significantly boosted shares of JPMorgan and Citi, but several midsized banks declined in trading.

These banks, including First Republic, Zions Bancorporation and Comerica, which have been seen as more at-risk, are scheduled to report results later this month.

JPMorgan, the biggest US lender in terms of assets, reported a 52 per cent surge in profits to \$12.6 billion. This was boosted by record revenues of \$38.3 billion, up 25 per cent from the year-ago level.



A man makes tea at a stall at the Pankhali Ferry Ghat of Dacope in Khulna last night. At the retail level, prices of sugar, widely used in such tea stalls across the country, have increased by Tk 3 to Tk 5 per kilogramme in many areas, said traders. PHOTO: HABIBUR RAHMAN

Sugar price hike an effect of global market

MOHAMMAD SUMAN

Sugar prices have reached a record high internationally, which has had a ripple effect on Bangladesh's wholesale markets, including those in Dhaka and Chattogram.

In a span of a week, the price of each maund (around 37 kilogrammes) has increased by Tk 200 to Tk 250.

At the retail level, the price increased by Tk 3 to Tk 5 per kilogramme (kg) in some areas, said traders.

A week ago, the government fixed the retail price at Tk 104 per kg for loose sugar and at Tk 109 for packaged sugar.

The prices were supposed to come into effect from April 8.

However, consumers are having to pay at a higher rate than that set by the government.

Importers and traders said raw sugar prices in the global market have surged to a near-10-year high amidst apprehensions of a drop in production in several exporting countries, including India, Brazil and Argentina.

According to International Sugar Organization (ISO), the price of raw sugar has increased by 19 per cent in a span of one and a

half months in the international market.

On Wednesday, the sweetener was sold at \$681.20 from \$569.36 per tonne, meaning the price had gone up by \$112 during the period.

In January, raw sugar was sold at \$537.40 to \$576.90, in February at \$561 to \$570.30 and in March at \$569 to \$624.75, said the data.

"The refinery companies have reduced the supply of the product in the domestic market due to the trend of prices increasing in the international market," Abdur Razib, a wholesaler of Chattogram's Khatunganj market, told The Daily Star.

As a result, the price of the product has increased by at least Tk 5 to Tk 6 per kg in the last few days.

"Although the price of the product was announced to be reduced by Tk 3 per kg, it did not have much impact on the market. Rather, there is an upward trend again," he added.

The wholesaler said sugar was now being sold at Tk 4,180 to Tk 4,200 per maund from Tk 3,950 a week ago.

"Now the refinery companies have reduced their supply and are demanding a price higher than that fixed by the government," Abul

Hashem, vice-president of Bangladesh Sugar Merchants Association, told The Daily Star.

Yesterday sugar sold at Tk 4,250 per maund in Dhaka's wholesale markets, whereas it was sold at Tk 4,100 a week ago, he said. He claims that he was not being supplied 30 per cent to 40 per cent of his demand.

Md Yusuf, manager of Maa Store in Chakbazar, one of the biggest kitchen markets in Chattogram, said he was now selling sugar at Tk 11 to Tk 118 per kg and they were not being supplied sugar as per requirement.

"We reduced the price one week ago, as per announcement from April 8," Biswajit Saha, director for corporate and regulatory affairs at City Group, one of the biggest refiners, told The Daily Star in this regard.

"We take into account how much products is being sold every day and at what price is being reported to the Ministry of Commerce. What can we do if someone sells at a higher price in the market?" he asked.

"The price of the product in the international market is currently the highest in the last 10 to 12 years. In most countries of the world, including India, prices of the product are on the rise," he added.

Gold price rises by Tk 1,283 a bhoori

STAR BUSINESS REPORT

The jewellers have increased pure gold prices by Tk 1,283 a bhoori for the local market with effect from today because of the rising bullion prices in the international market.

According to the new rates, each bhoori or 11.664 grammes of 22-carat gold will be sold at Tk 98,444.16.

The standing committee on pricing and price monitoring of Bangladesh Jewellers Samity (Bajus) announced the new rate yesterday, Bajus said in a press release.

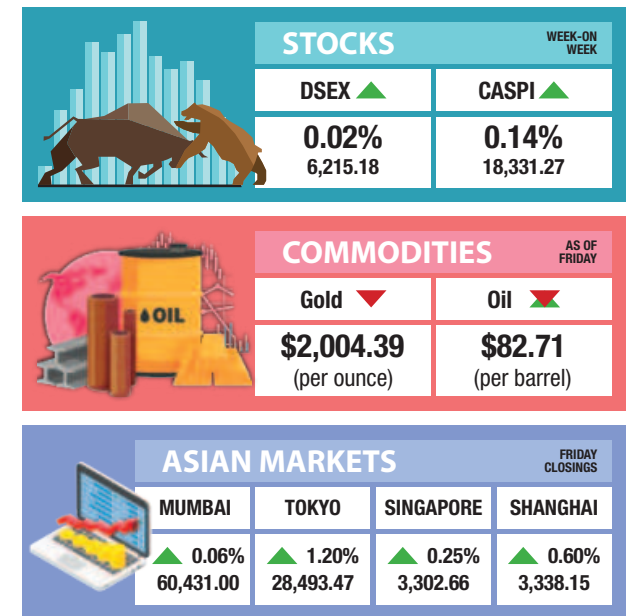
On April 10, the Bajus cut gold prices by 2 per cent to Tk 97,161.12 a bhoori from the earlier historic high of Tk 99,144.

Patience needed to cut inflation: BoE

REUTERS

Bank of England policymaker Silvana Tenreiro said past interest rate rises would take time to bear down on inflation, and that it was important not to over-adjust policy while the impact of these past rate rises was feeding through.

"We need to be patient," she said at a panel discussion hosted by the International Monetary Fund in Washington on Friday. "We don't want to get burned. We don't want to get an ice-cold shower."



A perfect storm for SMEs

FROM PAGE B1

four-member family. But he always thought of returning to his factory.

The time did come in the middle of 2022 when he saw that Covid-19 caseloads receded drastically. The 42-year-old restarted his factory on a limited scale and started to receive work orders again.

But the economic slowdown caused by the Russia-Ukraine war and unprecedented inflationary pains compelled people to tighten their belts. This has hit the sales of small entrepreneurs like Ahmed.

He is not alone. There are millions of micro, small, and medium enterprises in Bangladesh that have been going through a tough period due to the twin shocks within a span of three years.

According to the United Nations Industrial Development Organisation, SMEs were impacted more than large, medium, and high-tech firms. In terms of employment, layoffs had been the highest at micro firms and SMEs.

M Abu Eusuf, a professor at the development studies department at the University of Dhaka, says since micro, cottage, and small industries have lower capacity to cope, they are more vulnerable to any shock.

"They were the main victim of the twin shocks."

In a survey, the economist found that many companies laid off workers and some even shut down during

the pandemic. This was mainly seen among women-headed entities.

The central bank introduced stimulus packages involving Tk 40,000 crore for the CMSME sector to help them ride out the unprecedented crisis. But it was the medium enterprises that benefitted from the assistance. This is mainly because banks prefer medium enterprises to lend.

The SME Foundation and the Palli Karma Sahayak Foundation disbursed more than Tk 3,000 crore among SMEs, but the fund was found to be inadequate to support their recovery.

"So, the government should focus on differentiating micro, cottage and small from medium enterprises to incentivise small industries properly," Prof Eusuf said.

Under the stimulus packages, the interest rate of the loan, which was given in the form of working capital that carries a repayment period of one year, was 4 per cent. Since the business of the borrowers did not fare well, they could not generate enough profits to pay back the loans.

But when the tenure went past a year, it became a term loan. As a result, the interest rate rose to 9 per cent, Prof Eusuf clarified.

"So, if the target is to incentivise small industries, a different policy is necessary for micro, cottage, and small entrepreneurs."

How SMEs fared in recent years

could not be known as only 12 companies are listed on the SME board of the Dhaka Stock Exchange.

DSE data showed 11 posted lower profits in 2019-20, while six companies logged lower profits in 2020-21 and five in 2021-22. The companies are yet to publish their financial data for the first half of 2022-23.

According to the last Economic Census 2013, the total number of establishments in the industrial sector was 78.18 lakh, of which 78.13 lakh, or 99.9 per cent, were CMSMEs. Of them, 87.5 per cent were cottage industries, 10.99 per cent were small, 1.33 per cent were micro, and 0.09 per cent were medium enterprises.

Due to their labour-intensive nature, more than 2.1 crore people were employed by CMSMEs.

Md Masudur Rahman, chairperson of the SME Foundation, says SMEs have been badly hurt by the unprecedented shocks stemming from the pandemic and the war.

"CMSMEs are particularly vulnerable to any shock since their capital is small and can't avail stimulus loans easily."

Because of the pandemic in 2020 and 2021, the sales of small businesses in five festivals were low as people were concerned about catching the virus, he said, adding that the festivals are the main selling season for many SMEs.

So, they fell into trouble. But many

have bounced back after the pandemic, Rahman said.

"Now, because of the dollar crisis, inflationary pressure, the reduction in the disposal incomes, and the decreasing demand induced by the war have created a perfect storm for CMSMEs."

He also called for policy support for the CMSME sector.

"Financing is the biggest problem facing CMSMEs, so a customised lending policy is necessary for them because many small firms don't have proper documents and follow standard accounting practices."

The chairman of the SME Foundation suggested the government reduce tax and value-added tax for CMSMEs.

"Especially, a local procurement law is necessary to make it mandatory for procurement agencies to buy at least 25 per cent of products from SMEs. This may give a boost to the SME sector."

Md Ali Zaman, president of the SME Owners Association of Bangladesh, says SMEs run their operations on the back of their entrepreneurial spirit.

He thinks marketing products is more challenging for CMSMEs rather than mobilising funds.

"During the pandemic, almost all CMSMEs were impacted. Some companies were closed and many of them are still struggling to resume operations."

Subsidy, interest bills

FROM PAGE B1

is likely to exceed the actual allocation of Tk 56,535 crore in the original budget for the current fiscal year.

In this regard, the government has earmarked an additional Tk 21,000 crore in the revised budget although it had marginally slashed the overall expenditure. For the next fiscal year, the government may present a 12 per cent bigger budget and it has kept over Tk 200,000 crore for interest payment and subsidies.

In case of soaring interest payment pressure, higher expenditures on treasury bills are to blame.

The interest expense was higher than the annual target because of a rise in interest rates for government securities—treasury bills and bonds, according to the quarterly debt bulletin of the finance ministry released earlier.

"Expenditure on interest is rising rapidly," Hussain said, adding that interest payment on domestic debt accounted for 73 per cent of the total allocation in the current fiscal year of 2022-23.

"This reflects increases in both interest rates on various debt instruments as well as the stock of domestic debt in recent years," he said.

"The share of interest on domestic debt in total operating expenditure has risen from 25.4 per cent in July-February last year to 27.7 per cent in July-February this year, indicating a

rather rapid narrowing of fiscal space," added Hussain.

However, he said, the reported decline in interest on foreign debt from Tk 3,205 crore in the July-February period in fiscal year 2021-22 to Tk 2,734 crore in the July-February period in FY23 is "hard to fathom."

"It is inconsistent with the payment of interest on foreign debt reported by Bangladesh in its July-February balance of payments," he said, adding, "This shows an increase from \$606 million in July-February last fiscal year to \$855 million in July-February this fiscal year."

"Considering the depreciation of the exchange rate, there is no way interest payments on foreign debt can decrease as reported in the monthly fiscal report," he said.

AB Mirza Azizul Islam, former finance adviser to a caretaker government, linked the increase in subsidy bills to higher production cost of energy and power and increase in import cost.

"Yet to me, it is not unsustainable. It is within the tolerable limit," he said.

Islam suggested that the government expand coverage of the social safety net to support more of the low-income population.

"But there has to be proper distribution, proper selection of beneficiaries so that people who really deserve can get the support," he said.

Lanka gets more time

FROM PAGE B1

He made the remarks while speaking to a group of journalists at a meeting with P Nandalal Weerasinghe, governor of the central bank of Sri Lanka, on the sidelines of the 2023 Spring Meetings of the World Bank Group and the International Monetary Fund (IMF) in Washington on Friday.

The Sri Lankan governor confirmed that it would need no further extension, Talukder said.

He added: "When a loan repayment period is extended, it is not free of cost.

It adds more interest."

The island nation, which is facing its worst economic crisis in history, borrowed the fund in May 2021.

Colombo could not start repaying the loan and announced its external debt default in April of 2022 amid a deepening crisis. The loan repayment period has been extended thrice.

As per the agreement with Sri Lanka, Bangladesh was supposed to receive an interest payment of Libor plus 2 per cent if the amount was returned in three months.

The Libor, the acronym for London Inter-Bank Offered Rate, is a benchmark interest rate at which major global banks lend to one another in the interbank market for short-term loans. The three-month Libor averaged around 0.53 per cent in 2021.

Libor is being phased out in large part because of the role it played in worsening the 2008 financial crisis, as well as scandals involving Libor manipulation among the rate-setting banks. It will cease to exist by June 30 and will be replaced by the Secured

Overnight Financing Rate (SOFR).

Last month, Sri Lanka secured a \$2.9 billion programme from the IMF to tackle its huge debt burden.

The country owes \$7.1 billion to bilateral creditors, with \$3 billion owed to China, followed by \$2.4 billion to the Paris Club, and \$1.6 billion to India, reports Reuters on Friday.

The government also needs to renegotiate more than \$12 billion of debt in eurobonds with overseas private creditors, and \$2.7 billion on other commercial loans.

crore in taxes, data from the National Board of Revenue showed.

And save for land and flat valuation, about Tk 17,230 crore was whitened in the fiscal year. Some 4,514 land and flat owners whitened their assets by paying a tax of Tk 343 crore, showed NBR data.

The amnesty to legalise illegally earned wealth without question was curtailed in 2021-22. And the NBR has imposed rules that the taxpayers will have to pay 25 per cent tax on the undisclosed amount of money and pay a 5 per cent penalty on the payable taxes.

Amnesty to legalise black money

FROM PAGE B1

questions about the source of the income. But unconditional amnesty does not allow any government agencies to question the source of the income.

"Such a facility offers the scope to legalising illegal incomes," said Rahman.

"Unconditional amnesty is unethical and illegal. This involves deliberate evasion of taxes and dodging of financial regulations."

He said it is the responsibility of

businesses and individuals to pay their fair share of taxes and comply with financial laws and regulations.

The CAB chief suggested addressing the root causes of black money and preventing its harmful effects on society.

The FBCCI demanded allowing investments of black money in the purchase of flats, plots, commercial buildings and shopping malls without any question.

If the opportunity is given, a lot of the country's money will remain inside

the national border and the national wealth will grow, the trade body argued, adding that if the opportunity is not granted, capital flight will continue to grow.

In 2020-21, the government provided an opportunity to legalise black money through investment in real estate and flats without raising any questions about the sources of income on the payment of certain amounts of taxes.

A total of 11,859 taxpayers used the scope in 2020-21 by paying Tk 2,064



Maize plants being chopped up in Faridpur's Charbhadrashan upazila for the preparation of silage, which results from keeping the plants covered in stacks in one place for around a month for it to ferment so as to retain as much of the nutrients, such as sugars and proteins, as possible. Farmer Mohammad Muktar Khan spends around Tk 25 lakh cultivating maize on 25 acres of land to produce the silage, which is packed in bags and sold to cattle farmers for around Tk 40 lakh to Tk 45 lakh. The picture was taken at Charshalipur village in Charharirampur union recently.

PHOTO: SUZIT KUMAR DAS

UAE, China promise Pakistan \$1.3b

AFP, Karachi

Pakistan announced financial support Friday from the United Arab Emirates and China totalling \$1.3 billion, giving the ailing economy a shot in the arm as it seeks to meet conditions for the resumption of an International Monetary Fund bailout.

Finance Minister Ishaq Dar said the UAE had promised a billion dollars to prop up Pakistan's forex reserves — which at their current level of \$4.04 billion can barely pay for four weeks of imports.

China on Friday released \$300 million to Pakistan — the last tranche of a \$1.3 billion rollover loan, Dar said.

"UAE authorities have confirmed to IMF for their bilateral support of US\$ one billion to Pakistan," Dar tweeted.

He added that the country's central bank was preparing the documentation to receive the deposit.

Pakistan signed a \$6.5 billion bailout package with the IMF in 2019, but has repeatedly reneged on conditions and so far just \$3 billion has been released.

The IMF insists the nuclear-armed nation of 220 million people must boost its pitifully low tax base, end tax exemptions for the export sector, and raise artificially low petrol, electricity and gas prices meant to help low-income families.

The country's hopes for another round of IMF funding also depend on friendly countries rolling over existing loans or providing additional support.

Chemical exports hit a snag

Exporters blame a lack of facilities in private ICDs

MOHAMMAD SUMAN, Ctg

Exports of chemical or dangerous goods are being hampered due to a lack of minimum facilities in all inland container depots (ICDs) of the country, according to exporters.

Even after 10 months of a major fire at BM Container Depot in Sitakunda last June, none of the depots have been able to gain the qualifications for handling chemical or dangerous goods.

Customs officials said depots have been modified several times for handling dangerous cargo but none have been able to attain the minimum capacity.

According to international laws, including "The Dangerous Cargo Act-1953" and "The International Maritime Dangerous Goods Code", the depots should have separate entry and exit gates as well as separate sheds for handling these products.

Similarly, other conditions prescribed by the fire service have to be followed to deal with unwanted accidents.

However, no depot has been following those in handling dangerous cargo. After the fire last year, all the depots refrained from handling such cargo.

Then, at the request of exporters, Chittagong Container Transportation Company Limited (CCTCL) started handling the cargo.

But since they did not have the minimum safety standards, the Chattogram customs authority in February barred them from doing so.

In April, the customs authority gave a temporary permit to Eastern Logistic Limited, one of the 18 ICDs, to handle dangerous goods at the request of exporters.

Eastern Logistics, like the CCTCL, does not have the capacity to handle these

products but they have been temporarily allowed for promoting exports, according to customs officials.

The National Board of Revenue (NBR) is formulating a policy on handling such goods and once it is available, the customs authorities are expected to enforce it.

However, the NBR officials could not say how long it will take to formulate the policy.

the BM Container Depot accident. But two months after the accident, shipping companies and all the depots showed reluctance to transport these goods.

At least Tk 5 crore to Tk 7 crore has to be spent to implement the conditions of dangerous goods handling as per international law, said Nurul Quayyum Khan, president of Bangladesh Inland Container Depot Association.

"As a result, no depot is interested in investing so much money at this time," he said.

Though the conditions have been relaxed and a depot has been allowed to handle it, through this alone, it will become difficult to ship goods on time, he added.

"Our eyes have actually been opened after the BM Container Depot accident. Everyone is alert now. The NBR is trying to make a policy in this regard. Hopefully everything will come under a system then," he added.

Nazmun Nahar, second secretary (export and bond) to the NBR, told this correspondent of The Daily Star, "A committee is working to formulate a policy on handling dangerous goods and all types of chemical products."

"It will take another month to get their report. After that, it will be scrutinised and the policy approval and implementation process will be started," she said.

However, it is not possible to say how soon that will be possible, she added.

According to Bangladesh Export Promotion Bureau, chemical goods exports have decreased by 28 per cent in fiscal year 2022-23 from that in fiscal year 2021-22.

In the first nine months (July to March) of FY 2022-23, \$226.81 million worth of the goods were exported whereas it was \$282.1 million in the same period of FY 2021-22.

Bikash Kanti Das, head of business at Samuda Chemical, said: "Eastern Logistics, like the CCTCL, does not have dangerous goods handling capability."

"As a result, we now load these products in containers from our factory and send them to the depot. Following this process, it will not be possible to export the product within the stipulated time," he said.

Samuda Chemical, a subsidiary of Chattogram's TK Group, is one of the country's biggest exporters of hydrogen peroxide.

He said production had to be kept suspended for most of the time.

Several exporters said chemical products could be handled by all the depots before

A committee is working to formulate a policy on handling dangerous goods and all types of chemical products.
Nazmun Nahar
Second secretary (export and bond) to the NBR

Corporate stress

MAMUN RASHID

I was one of the few Bangladeshis who worked with three global banks at home and abroad. I was also the youngest CEO of a commercial bank in Bangladesh. My laurels and recognition would anytime make anyone jealous.

However, what is not possibly known to many is how many times I had to visit hospitals and that too emergency departments early in the morning or late in the night with chest pain, exhaustion, or sleeplessness. From 2007 to 2010, it was almost 10 times I visited the hospitals at odd hours and started to fall ill at frequent intervals.

I got diabetes at a relatively young age. Twice or thrice, I fell in my room sweating all around. My hiatus influx took me to consult doctors at many places abroad.

I have been taking medicines for diabetes, high pressure and cholesterol for the last two decades or so. My friends say these are all side-effects of my success at an early stage, coupled with office politics, tremendous pressure to achieve or exceed set goals, and colleagues as well as peers not showing any sympathy when I needed them most.

The scenario became almost the opposite once I decided to leave my high-flying corporate job. I no longer compete for higher bonuses and higher salaries or recognition from my seniors.

My colleagues have stopped taking advantage of the "ethics hotline" for trivial matters. In the last 10 years, my hospital visits have come down despite ageing.

What could I do about this? The question is big but the answer is a very short one. I regularly try to visit fitness centres, including swimming pools. I am least bothered about knowing who the highest-paid CEO in Bangladesh is, whether my boss continuously thinks whether I am the best or not, and most importantly, I am trying to influence my food habit. I try to spend more time with my family and the friends I like the most.

Corporations create jobs, pay taxes and provide the economy with goods and services. Despite the unblemished records, they doom us to get involved in a rat race. The phrase refers to a pointless quest to get ahead in corporate culture.

The corporate struggle to survive makes people tired and stunts creativity. Nobody protects you or gives you a pat on the back. And here in Bangladesh, we do lack the service rules in the private sector now found in many developing economies.

Paul Ulasien, in his book "The Corporate Rat Race: The Rats Are Winning" writes that "no matter what you do in the rat race, success is not guaranteed, but if you do nothing, failure is."

In 2009, I met an elderly and amiable person in the swimming pool. I noticed for a few weeks that he swam without creating any noise or talking to anybody. He once asked me: "There are 24 hours in a day. How many hours do you spend for yourself?"

I didn't have a reply because I didn't understand the question. I thought I spent 24 hours for myself, my family, my business, or society's well-being. He told me: "No, your time is the time that you totally dedicate to your health or knowledge improvement."

Now I spend at least one hour a day to keep myself reasonably fit and an hour reading in order to keep pace with what's happening around me.

If I were a little more serious about the work-life balance and had focused more on fitness, I could have saved a lot of money that I had spent at the hospitals during the latter part of my corporate life. I regret it when I look back.

My advice for my corporate colleagues: Please, spend at least 30 minutes a day on your health, keep smiling, and enjoy youth and friendship.

The author is an economic analyst

Russian oil exports jump to highest level in 3 years

AFP, Paris

Russian oil exports jumped to their highest level in almost three years in March despite Western sanctions, but revenues were down sharply from last year, the International Energy Agency said Friday.

The West has imposed a slew of sanctions against Russia since Moscow invaded Ukraine in February 2022, including price caps on its oil exports and EU embargoes.

But the IEA said in its monthly oil market report that total shipments from Russia rose by 600,000 barrels per day to 8.1 million bpd last month, the highest level since April 2020.

While Russia's oil revenues rebounded by \$1 billion to reach \$12.7 billion, they were still down 43 per cent compared to a year ago.

The Paris-based agency said much of the increase was due to a rise in exports of oil products, which returned to pre-Covid levels as they climbed by 450,000 bpd to 3.1 million bpd.

The IEA said oil product shipments destined for the EU almost doubled between February and March to 300,000 bpd, but they were down by almost 1.5 million compared with pre-war levels.

Diesel shipments to Turkey, which has refused to join Western sanctions on Moscow, reached their highest level since 2018.

Moscow's crude exports rose by 100,000 bpd to five million bpd, with India replacing China as the main destination for Russian shipment in Asia in March.



An oil tankers train passes near the Guwahati Refinery operated by Indian Oil Corporation in Guwahati on March 30. India has replaced China as the main destination for Russian shipment in Asia in March.

PHOTO: AFP/FILE

India's forex reserves at nine-month high

REUTERS, Mumbai

India's foreign exchange reserves jumped to \$584.76 billion for the week ended April 7, the highest in nine months, the Reserve Bank of India's (RBI) statistical supplement showed on Friday.

That is an increase of \$6.3 billion from the previous week.

The central bank intervenes in the spot and forwards markets to prevent runaway moves in the rupee. Changes in forex reserves also stem from valuation gains or losses.

For the reported week, the rupee ended 0.3 per cent higher against the US dollar. The Indian unit traded in a wide range of 81.8300 to 82.4550 to the dollar.

The rupee closed at 81.85 on Thursday and clocked its fourth consecutive weekly rise for the holiday-shortened week ending April 14.