

# 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 unquested 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.

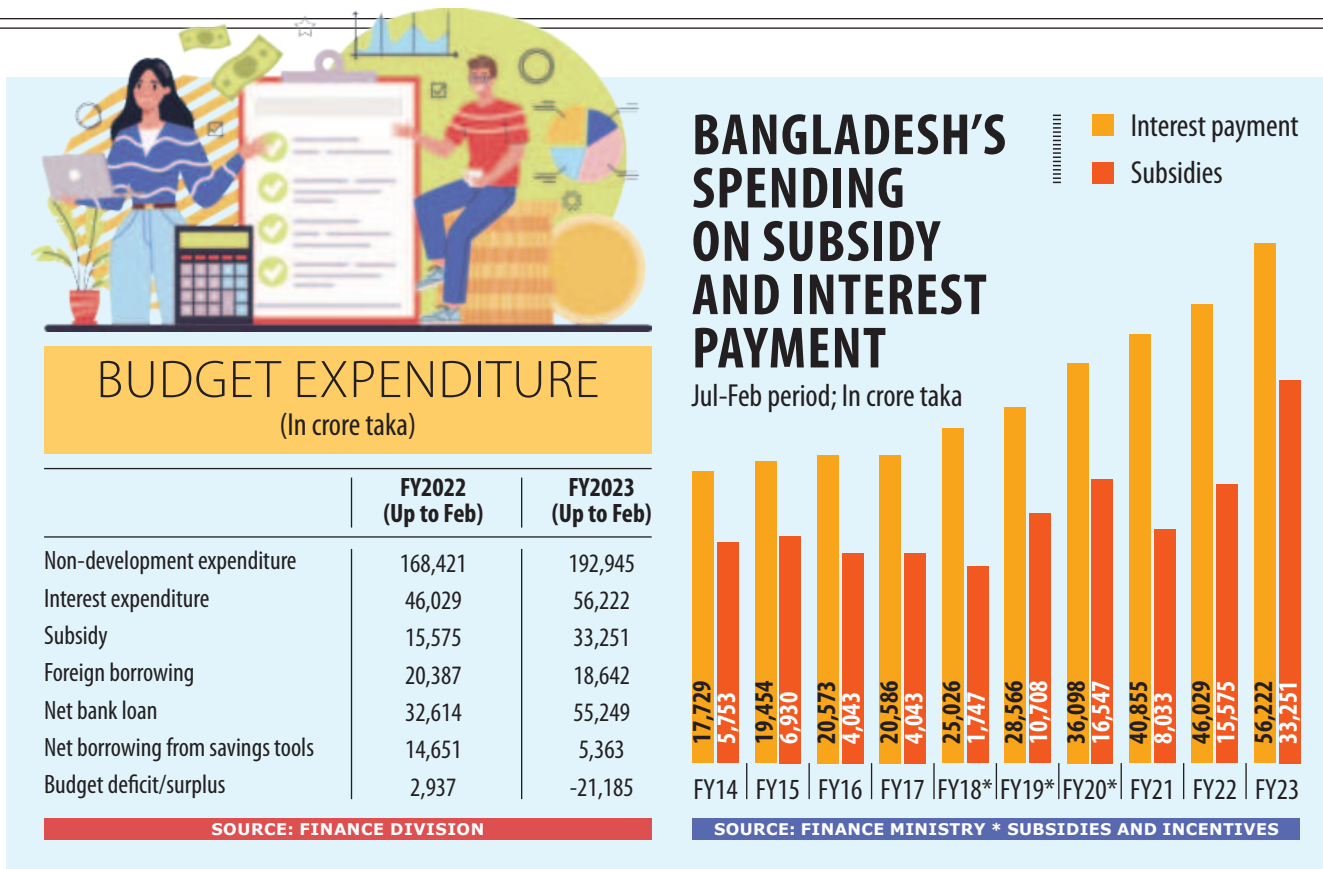
Rahman, also a former chairman of the Anti Corruption Commission, says he does not believe that such an amnesty would pull investments in the real estate sector and develop the capital market.

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 coffer 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 coffer 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

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### \$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.

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