

Star BUSINESS

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All vessels anchored at various jetties of Chattogram port were sent to the outer anchorage by yesterday morning as a precautionary measure in order to avoid any major damage that may be inflicted by Cyclone Mocha. The photo was taken yesterday at noon.

PHOTO: RAJIB RAIHAN

Ctg port braces for Cyclone Mocha

STAFF CORRESPONDENT, Ctg

All 20 vessels that had anchored at the jetties of the Chattogram port were shifted to the outer anchorage by the morning yesterday as a precautionary measure to keep the jetties secure as Cyclone Mocha approached.

Loading and unloading at the jetties and unloading of goods into lighter vessels from 60 vessels at the outer anchorage have also been suspended.

Md Omar Faruk, secretary of the Chattogram Port Authority

READ MORE ON B3

Bangladesh 2nd in South Asia in bad loan ratio

STAR BUSINESS REPORT

Bangladesh's banking sector has the second-highest ratio of non-performing loans (NPL) among the countries in South Asia as lenders continue to face multiple challenges emanating from scams, a lack of corporate governance and borrowers' growing reluctance to make instalments regularly.

Only Sri Lanka is ahead of Bangladesh.

And in the case of non-bank financial institutions (NBFIs), the ratio of NPL is the highest in Bangladesh, with Sri Lanka

coming second, according to a World Bank report, which was released recently.

The report styled "Expanding Opportunities: Toward Inclusive Growth" said the latest NPL ratios

remain below the 2021 levels and the 10 per cent threshold commonly used to indicate systemic stress in most South Asian countries.

Exceptions are Bangladesh



and Sri Lanka, where the NPL ratio reached above the 2021 level: it was 9.4 per cent in Bangladesh and 10.9 per cent in Sri Lanka in September 2022.

"Asset quality has deteriorated in Bangladesh and Sri Lanka," said the report.

The report comes at a time when defaulted loans resulting from factors, namely scams and a lack of corporate governance, continue to be a drag on the banking sector.

As of December 2022, the default loans at banks of Bangladesh increased 16.8 per

READ MORE ON B3

IsDB to provide €270m for housing project

STAR BUSINESS REPORT

The Islamic Development Bank (IsDB) is set to provide 270 million euros to Bangladesh for the rural and peri-urban housing project.

The board of governors of the bank approved the loan during its annual meeting at Jeddah in Saudi Arabia that took place from May 10 to 13, according to a press release from the Economic Relations Division (ERD) of Bangladesh.

The theme of this year's meeting was "Partnerships to Fend off Crises" and a delegation from Bangladesh led by ERD Secretary Sharifa Khan took part in the meeting.

The delegation emphasised the importance of IsDB supporting its member countries with concessional financing, technical support and building partnerships to tackle the current geopolitical crisis.

During the annual meeting, the International Islamic Trade Finance Corporation, a concern of the IsDB, celebrated its 15 years of partnership with Bangladesh.

STOCKS		WEEK-ON-WEEK
DSEX ▲	CASPI ▲	
0.05%	0.04%	
6,272.43	18,490.13	

COMMODITIES		AS OF FRIDAY
Gold ▼	Oil ▼	
\$2,011.05	\$70.03	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.20%	▲ 0.90%	▼ 0.65%	▼ 1.12%	
62,027.90	29,388.30	3,208.55	3,272.36	



The paddy grown on 75 decimals of land by Mohammad Shahid Sheikh, a farmer in the Bethulia village under Rajbari sadar upazila, suffered lodging to some extent by Nor'wester only a couple of days ago. Fearing further damage, this time from Cyclone Mocha, he has employed three labourers to harvest the crop. He spent Tk 20,000 for the cultivation and had expected to collect 50 maunds of paddy. But the farmer might end up with 30 maunds since he has been compelled to harvest it before the crop matures. The photo was taken yesterday.

PHOTO: SUZIT KUMAR DAS

WEEKLY INTERVIEW



'Reduction of effective tax rate is key'

STAR BUSINESS REPORT

Over the last few years, the National Board of Revenue has carried out some commendable reforms. One of them is the mandatory requirement of tax return submission to avail around 40 services.

However, the NBR needs to take the step to provide confirmation on a real-time basis through its portal or app and this should also be included as an eligible mode of proof of submissions under the Finance Act, said a chamber leader.

READ MORE ON B3

BB's dollar sales this FY go past \$12b

AKM ZAMIR UDDIN

The US dollar sold by the central bank has surpassed the \$12-billion mark in the ongoing fiscal year as it has had to pump the American greenbacks into the market in order to clear import bills.

Between July 1 and May 10, the Bangladesh Bank supplied a record \$12.05 billion to banks, in contrast to the \$7.62 billion that was provided in the entire financial year of 2021-22.

The central bank sold US dollars to the tune of \$276.03 million in the first 10 days of the current month. It injected \$851 million in April, BB data showed.

The dollar selling spree continues as imports have remained at an elevated level despite various measures unveiled by the government and the BB to contain import demand for non-essential and luxury items.

Import payments declined 12.33 per cent year-on-year to \$53.94 billion in the July-March period of FY23.

It was \$61.52 billion during the identical period a year ago, according to central bank figures. But it rose 11.6 per cent from the import bills cleared in July-February, when it stood at \$48.31 billion.

Higher imports took a toll on the foreign currency reserves as export and remittance earnings, the two biggest sources of US dollars for Bangladesh, did not increase to the expected level.

READ MORE ON B3

Forex reserves stood at \$30.34 billion on Wednesday in contrast to \$42.20 billion in May last year



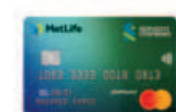
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T&Cs apply

Fed policy on right track, but inflation still too high: officials

REUTERS, California

The Federal Reserve is getting interest rates closer to where they need to be to win the battle against inflation, a pair of US central bankers said on Friday, though neither gave a clear signal on whether they feel they have reached that point.

Coming a week after Fed policymakers raised their target range for the benchmark rate to 5 per cent-5.25 per cent, the remarks from Fed Governor Philip Jefferson and St. Louis Fed President James Bullard suggest some uncertainty about whether the Fed will in fact pause interest-rate hikes next month, as is widely expected.

Indeed, a third US central banker speaking early in the day, Governor Michelle Bowman, signaled she feels further policy tightening may yet be appropriate, unless inflation drops more convincingly.

The Fed has raised its benchmark interest rate five full percentage points over the past 14 months - the fastest pace of tightening in 40 years. Inflation by the Fed's preferred



A farmer harvests fruits of the palmyra palm, a genus of solitary palm trees with massive fan leaves and short, spiny stalks split at the base. The fruits are big with three seeds which are fleshy and edible when ripe and refreshing during the hot summer months. Each fruit sells anywhere from Tk 10 to Tk 20. Some 79,060 tonnes of the seed were produced around the country in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken in Korapur area of Barishal sadar upazila recently. PHOTO: TITU DAS

The Fed has raised its benchmark interest rate five full percentage points over the past 14 months - the fastest pace of tightening in 40 years.

EU ministers back plan to reduce economic reliance on China

REUTERS, Stockholm

European Union ministers on Friday backed reducing the bloc's economic dependence on China but will now have to figure out how to make that a reality, foreign policy chief Josep Borrell said.

Borrell said foreign ministers gave broad backing to a plan to adjust policy on China to place greater emphasis on its role as a political rival, while continuing also to see Beijing both as a partner on global issues and an economic competitor.

"Colleagues welcomed the paper that we presented. They agree on the basic lines of this re-calibration of our strategy on China," Borrell told reporters after their meeting in Stockholm.

"When a dependency is too big, it's a risk," he declared.

Borrell said the EU had to learn from the "strategic mistake" it made in the years before Moscow's war in Ukraine of becoming too dependent on Russian gas.

He said the EU today was even more dependent on China for key technologies such as solar panels and for critical materials than it had been on Russian

EU foreign policy chief Josep Borrell stressed that the aim was not to "de-couple" the European and Chinese economies but to rebalance the relationship

energy.

"De-risking is just a word. But behind this word, there is a lot of work that will take time, to review all our economic relations with China," he said.

Borrell stressed the aim was not to "de-couple" the European and Chinese economies but to rebalance the relationship.

Lithuanian Foreign Minister Gabrielius Landsbergis warned that even if the EU did not want to de-couple from China economically, it needed to be prepared for such a scenario.

"Somebody has to devise a possibility that a de-coupling might happen - not because we wished it, like with Russia,

not because we willed it but because the situation, for example in the Taiwan Strait, has been changed by force," he said.

Officials will now refine the proposal to present it to EU leaders, who are expected to discuss China at a summit in June.

The plan is the latest attempt to strike a balance between views of the EU's 27 member countries, keep a distinctive EU approach to Beijing and preserve a close partnership with Washington, which is pushing for a harder line on China.

The document states that coordination with the United States will "remain essential".

But it says the EU "should not subscribe to an idea of a zero-sum game whereby there can only be one winner, in a binary contest between the US and China."

In a letter accompanying the proposal, Borrell said there were at least three reasons for "re-calibrating" China policy.

He said these were "the degree to which China is changing with nationalism and ideology on the rise; the hardening of the US-China competition affecting all policies areas; and the fact that China is a key player in regional and global issues".

Walton to supply ice-cream freezers to Lovello

STAR BUSINESS DESK

Walton recently signed an agreement with leading ice-cream brand Lovello to supply its domestically produced international standard ice-cream freezers.

Shamima Nargis Haque, chairman of Taufika Foods and Lovello Ice-Cream, and Zakia Sultana, director of Walton Hi-Tech Industries, inked the deal at The Westin Dhaka in the capital last week, said a press release. Under the deal, Walton is set to supply a total of 25,000 units of ice-cream freezers to Lovello gradually.

"Following the top popular brand Lovello, we hope that the country's other brands will also keep their faith in the locally manufactured Walton's international standard tempered glass door ice-cream and other commercial freezers," said Sultana.

"Through the agreement between Walton and Lovello, Walton has started its journey in the domestic ice-cream freezer's market. Gradually, Lovello alone will purchase 25,000 units of ice-cream from Walton. The figure will be further increased in future," said Md Ekramul Haque, managing director of the ice-cream company.

Among others, Md Kamruzzaman, chief operating officer, Kawzar Ahmed, chief administrative officer, Tofail Ahmed, chief business officer of Walton Fridge, and Didarul Alam Khan, chief marketing officer, were present.

Apple to launch first online store in Vietnam

AFP, Hanoi, Vietnam

Apple will launch its first online store in Vietnam next week, the company said Friday, hoping to cash in on the country's young and tech-savvy population.

The iPhone maker is among a host of global tech giants including Intel, Samsung and LG, that have chosen Vietnam for assembly of their products.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAY 13, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	7.14 ↑
Coarse rice (kg)	Tk 46-Tk 50	0	3.23 ↑
Loose flour (kg)	Tk 55-Tk 60	1.77 ↑	41.98 ↑
Lentil (kg)	Tk 90-Tk 100	-2.56 ↓	-9.52 ↓
Soybean (litre)	Tk 175-Tk 185	4.96 ↑	-3.23 ↓
Potato (kg)	Tk 35-Tk 40	36.36 ↑	74.42 ↑
Onion (kg)	Tk 60-Tk 70	85.71 ↑	44.44 ↑
Egg (4 pcs)	Tk 45-Tk 50	9.2 ↑	21.79 ↑

SOURCE: TCB

measure has eased from 7 per cent last summer to 4.2 per cent.

Meanwhile unemployment, which had been expected to rise as borrowing costs surged, has instead fallen to 3.4 per cent, the lowest since 1969.

"Is inflation still too high? Yes," Fed Governor Philip Jefferson said at a monetary policy conference at the Hoover Institution. "Has the current disinflation been uneven and slower than any of us would like? Yes. But my reading of this evidence is that we are 'doing what is necessary or expected' of us," which is the dictionary definition, he said, of being "on track."

At the same time, Jefferson did not ring any victory bells, offering the observation that little recent progress on core inflation, particularly in services inflation, is "bad news." In April, core US consumer prices - stripping out volatile gas and food prices - rose 5.5 per cent after advancing by 5.6 per cent in March.



M Tofazzel Hossain Miah, principal secretary to the prime minister at the Prime Minister's Office, poses for photographs with the winners of the HSBC-IBA's Business Case Competition-2023 in Dhaka recently. Abu Farah Md Nasser, deputy governor of Bangladesh Bank, Md Mahub ur Rahman, CEO of HSBC Bangladesh, and Mohammad A Momen, director of the Institute of Business Administration of Dhaka University, were present. PHOTO: HSBC



Md Masud Biswas, head of Bangladesh Financial Intelligence Unit (BFIU), posed for photographs with participants of the EBL conference for Sylhet zone on "Anti-Money Laundering and Combating Financing of Terrorism" organised by Eastern Bank at the Grand Sultan Tea Resort and Golf in Moulvibazar yesterday. Aii Reza Iftekhar, managing director of Eastern Bank, MM Haikal Hashmi, deputy managing director, Md Masud Rana, additional director of the BFIU, and Md Rokon-Uz-Zaman, joint director, were present. PHOTO: EASTERN BANK

IBA's Team Khichuri becomes HSBC-IBA's Business Case Competition-2023 champion

STAR BUSINESS REPORT

Team Khichuri from the Institute of Business Administration (IBA) of the University of Dhaka has become champion of the "Business Case Competition-2023".

Team Navigators from the Bangladesh University of Professionals came up as the runners-up while Team Taking Over from the Faculty of Business Studies of the University of Dhaka stood second runner-up, said a press release.

Organised by the HSBC Bangladesh in partnership with the IBA, three teams from Bangladesh were selected as the champion, runners-up and second runner-up from a group of five finalist teams.

At the finale, the participants were given a business case on food security and were asked to present their solutions and recommendations to the judges' panel.

The local competition featured a total of 160 participants from universities across Bangladesh.

The champion, runners-up and second runner-up winners received a team development fund of Tk 200,000, Tk 100,000 and Tk 50,000 respectively.

M Tofazzel Hossain Miah, principal secretary to Prime Minister Sheikh Hasina, attended the event as chief guest.

Abu Farah Md Nasser, deputy governor of Bangladesh Bank, Md Mahub ur Rahman, CEO of HSBC Bangladesh, and Prof Mohammad A Momen, director of the IBA, were present.

Toshiba posts 35% decline in full-year net profit

AFP, Tokyo, Japan

Japanese conglomerate Toshiba on Friday said full-year net profit fell by more than a third due partly to weak sales in electronic devices and other one-off factors.

It also said a planned takeover bid process that is expected to take the company private will likely start in late July. For the year that ended March, the engineering giant booked a 126.57 billion yen (\$940

million) net profit, down 35 per cent on year, on sales of 3.36 trillion yen, up 0.7 per cent.

Operating profit dropped 30.4 per cent to 110.55 billion yen, mainly because of a contraction of the hard disk drive market, and other one-off factors, Toshiba said.

For the current financial year to March 2024, it forecasts a 110 billion yen operating profit, down 0.5 per cent from the previous year, on sales of 3.2 trillion yen, down 4.8 per cent.

Europe set for two new gigafactories

REUTERS, Stockholm/Berlin

Two electric vehicle battery makers plan to spend around 10 billion euros (\$11 billion) on factories in Europe, they said on Friday, after Europe loosened state aid rules for green industry projects in a bid to win the subsidy race with the US.

Both plants will start production in 2026, employ thousands of people and supply batteries to European car makers.

After months of worry that it would opt for an investment in North America over Europe, Sweden's Northvolt said it is set to pick Heide in northern Germany for its factory as long as subsidies are approved, estimated by one source close to the matter to be over 600 million euros.

Taiwan's ProLogium, meanwhile, announced a new plant in the French city of Dunkirk after France offered deal sweeteners and competitive power prices, executives from the company said.

With Taiwan a focal point in tensions between Washington and Beijing, the company also wanted to secure a base overseas.

Europe, home to carmakers such as Volkswagen and BMW, has been trying to lower dependency on Asian countries for batteries that will power green electric cars, though the region still relies heavily on Asia for sourcing and processing raw materials like lithium, cobalt and manganese.

High energy prices and a lack of subsidies comparable to the \$430-billion US Inflation Reduction Act has prompted companies from Volkswagen to utility Enel and cement maker Holcim to call on the European Union to do more to encourage investment.

Volkswagen was expected to announce a battery plant location in Europe late last year but said in March it is awaiting more clarity from Europe on subsidies before making a decision.

For Northvolt, Europe's 'Temporary Crisis and Transition Framework' (TCF) which simplifies conditions for countries to grant aid to green projects and allowed Germany more freedom in offering support for the battery plant, helped firm up its plans to build in the region, a spokesperson said.



Workers pluck tea leaves in the sweltering midday heat in the Tarapur tea estate in Sylhet. Tea workers went on a two-hour strike every day from August 9 last year demanding an increase in wages. From August 13, they went on an indefinite strike. They joined work from August 28 after their wages were increased on the directive of Prime Minister Sheikh Hasina. Tea production in Bangladesh has decreased by nearly 3 per cent year-on-year in 2022. According to state-run Bangladesh Tea Board, nearly 94 million kilogrammes were produced last year. The photo was taken recently.

PHOTO: SHEIKH NASIR

Ginger prices surge amid dollar shortage, reduced supply

SUKANTA HALDER and SAJJAD HOSSAIN

Ginger prices have surged in Bangladesh as imports of the spice have become costlier amid the ongoing US dollar shortage and a recent global supply crunch resulting from lower production.

Bangladesh can produce about 2 lakh tonnes of ginger against its annual demand of 3.5 lakh, meaning that the rest is met through imports, according to the state-run Spice Research Centre.

Both imported and locally grown varieties of ginger are now selling for as much as Tk 340 per kilogramme (kg), up from Tk 320 and Tk 240 respectively a week ago, shows data from the Trading Corporation of Bangladesh (TCB).

If the root is of smaller size and lesser quality, the price is Tk 240 in case of imported ginger and Tk 320 for local ginger, up from Tk 180 and Tk 220 respectively over the past seven days.

However, retailers looking to make extra profit from the dearth in supply are selling imported ginger for Tk 250 per

kg while local ginger costs Tk 400, said Noor-e-Alam, a retailer based in Dhaka's Tejturi Bazar.

The price of imported ginger increased by 53.85 per cent per kg over the past month while year-on-year growth registered a staggering 185.71 per cent as of yesterday.

Similarly, the price of local ginger rose by 45.65 per cent per kg over the past month and 179.17 per cent year-on-year, as per the TCB.

The recent surge in ginger prices has left many buyers in distress, particularly those in the middle and lower-middle-income segments, who now find it difficult to afford the key cooking ingredient.

Fatima Begum, a housewife living in Dhaka's Shyamoli, said the soaring price of ginger means having to compromise on the quality of her family's meals.

Alamin Hossain, who operates Alamin Restaurant House in Dhaka's Farmgate, said having to pay more for ginger will force him to raise his own prices or compromise on the quality of food provided.

"I am absolutely outraged by the hike in ginger prices as it is taking a bite out of my pocket," he added.

Mujahid Plaban, a wholesaler based in Karwan Bazar, one of the capital's biggest kitchen markets, said the current price of imported ginger is Tk 11,200 per maund

Both imported and locally grown varieties of ginger are now selling for as much as Tk 340 per kilogramme, up from Tk 320 and Tk 240 respectively a week ago

(37 kilograms) while local ginger costs Tk 8,400 per maund.

Just a month back, imported ginger was priced at Tk 6,800 per maund while the same amount of local ginger was Tk 4,400, he added.

Abul Kalam, a ginger importer, said prices have risen in the country as the

ongoing US dollar shortage has made it difficult to source the spice.

"For example, banks will only open letters of credit for importing two containers of ginger even if I apply for 20," he added.

Taka lost about 25 per cent of its value against the US dollar over the past year as the country's foreign exchange reserves have been depleting fast amid growing global commodity prices and other crises.

But aside from higher import costs, ginger prices have also risen due to reduced supply from producers such as India, China and Myanmar, traders say.

The price of ginger sourced from China has surged to about \$3,000 per tonne from \$1,300 a month ago due to inadequate weather conditions during the cultivating period, which begins in early spring and ends in winter.

So, the market may stabilise next season if there is adequate rain in India and other producing nations in the meantime, they said.

NON-MARKET PRACTICES EU, US to pledge joint action over China concerns

REUTERS, Brussels

Washington and the EU will pledge joint action to tackle concerns focused on China about non-market practices and coordinate their export controls on semiconductors and other goods at a meeting this month, a draft statement showed.

US Secretary of State Antony Blinken, European Commission Vice-President Margrethe Vestager and other senior officials are due to meet for the fourth edition of the EU-US Trade and Technology Council (TTC) in Lulea, Sweden, on May 30-31.

The draft statement seen by Reuters said the two sides would address non-market practices and economic coercion, and aim to hold regular talks on efforts to stop their companies' knowledge linked to outbound investment supporting technologies of strategic rivals - an oblique reference to China.

They will also coordinate on their export controls on "sensitive items" - including goods that have a military use - and semiconductors, said the statement, which only mentions China twice and could still be changed before the meeting.

Brussels says it considers China a partner in some fields, an economic competitor and a strategic rival. The European Union plans to recalibrate its China policy, recognising coordination with a more hawkish United States is essential.

Highlighting the medical devices sector in China, the document said the transatlantic partners are "exploring possible actions" over the threat posed by non-market policies and practices.

Argentina inflation exceeds 108%

AFP, Buenos Aires

Inflation in Argentina reached 108.8 percent in the 12 months to April, a more than three decade high, the Indec national statistics institute said Friday.

Month-on-month, inflation in April was 8.4 percent in Latin America's third largest economy.

Argentina has one of the highest inflation rates in the world.

In 2022, it reached 94.8 percent, the country's highest annual figure since 1991, when it exceeded 171 percent.

The government has set a 2023 inflation target of 60 percent, but a recent Central Bank report of market expectations projected a figure for 2023 of 126.4 percent.

On top of its battle with inflation, Argentina is also dealing with a strong depreciation of its currency just months ahead of general elections.

The peso stood at 238.5 to the dollar at the official rate Friday, but 474 on the parallel black market. The country's economic problems have been worsened by the impact of a severe drought on its farming and livestock sectors, the largest source of foreign exchange.

The International Monetary Fund has forecast growth for the South American country of 0.2 percent in 2023.

Reduction of effective tax rate

FROM PAGE B1

And many more reforms need to be carried out.

Naser Ezaz Bijoy, president of the Foreign Investors' Chamber of Commerce & Industry (FICCI), shared the views during an interview with The Daily Star yesterday.

He said the NBR's move to discourage cash as a mode of expense is a bold step in the right direction.

The measure is aimed at reducing opportunities for tax evasion.

"However, given that the payments ecosystem is not entirely ready throughout the country, a cap of Tk 36 lakh allowable cash expenses does not seem plausible for the companies that generate tens of billions in turnover," he said.

"Therefore, we recommended the NBR provide a roadmap for three to five years to reduce the percentage of allowable cash expenses on a progressive basis, in order to make the country's journey towards a cashless economy effective."

Naser said the government needs to do more to attract domestic and foreign investments.

The NBR is reducing the rates of nominal corporate taxes but the tax authority should take measures to cut the effective tax rates to enable the companies with higher earnings to reinvest for expansion, said the FICCI chief.

The corporate income tax rate has been reduced by 2.5 percentage points in each of the last three years. But companies could not reap the benefit because of the increased disallowance of expenses that have acted as an impediment to reducing the effective tax rate.

"In some cases, the effective tax rate may also go up. Hence, the NBR needs to ensure a reduction of the effective tax rate. That is what is relevant. So, reforms of the existing provisions will enhance motivation, improve tax collection and bring about transparency," said Naser.

Also the chief executive officer

of Standard Chartered Bangladesh, Naser said electronic invoices should be introduced to automate the submission of tax returns.

The tax authority should also provide incentives for filing personal and corporate income tax returns online and integrate customs, value-added tax and income tax systems to realise the benefit of end-to-end digitalisation, he added.

"What we need is digitalisation, simplification, and the reduction of discretion of field officials of the NBR. The higher the manual intervention, the higher the risk of a lack of transparency."

According to Naser, the rate of tax deduction at source (TDS) for services availed from overseas providers should be rationalised to discourage payments through unofficial channels by non-compliant taxpayers.

In order to reduce the creation of undeclared wealth and tax evasion, the FICCI president urged the government to reflect the actual market value of properties during the registration of real estate.

At present, the prices of real estate used to calculate tax and stamp duties during the registration at the land offices are much lower than the market rates. This discrepancy provides room for registering properties below the actual value of the transfer and offers the opportunity to create untaxed income.

The stamp duty, tax and registration costs should be reduced to ensure compliant taxpayers are not penalised, Naser said.

Regarding VAT, he said getting input tax rebates is complicated and time-consuming. "It should be addressed."

There is another problem in the valuation of imported items, according to the FICCI president.

He said when prices begin to fall, the customs department often assesses and determines import duties of goods based on the prices

of the past three months. In the case of a price hike, the customs, at times, consider the current prices to assess duties.

"This should not be the case. Rather, there should be a single formula for customs valuation."

He suggested the NBR extend bonded warehouse facility to the exporters from all sectors, not just garments and leather, with a view to facilitating the diversification of exports.

Naser also talked about the multiple economic challenges Bangladesh is facing.

"High inflation is a big concern," he said.

"Against the backdrop, the government should take steps to make procedures simple, enhance digitalisation and reduce leakages so that local firms can become more competitive in the global market."

BB's dollar sales

FROM PAGE B1

The reserves stood at \$30.34 billion on Wednesday in contrast to \$42.20 billion in May last year, a decrease of 28 per cent year-on-year.

In April, remittance declined 16.27 per cent year-on-year to \$1.68 billion. Overall, money transferred by migrant workers and non-resident Bangladeshis living abroad grew 2.36 per cent to \$17.71 billion in July-April.

Export earnings dipped 16 per cent year-on-year in April, with overall receipts growing by 5.38 per cent to \$45.67 billion in the 10-month period.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, says the central bank should cut the sales of dollars in order to stop the erosion of the reserves.

"We have been calling on the central bank to reduce the sales of US dollars, but the central bank has not paid any heed to the suggestions."

Bangladesh 2nd in South Asia

FROM PAGE B1

cent year on year to Tk 120,656 crore as habitual defaulters showed reluctance to repay the funds.

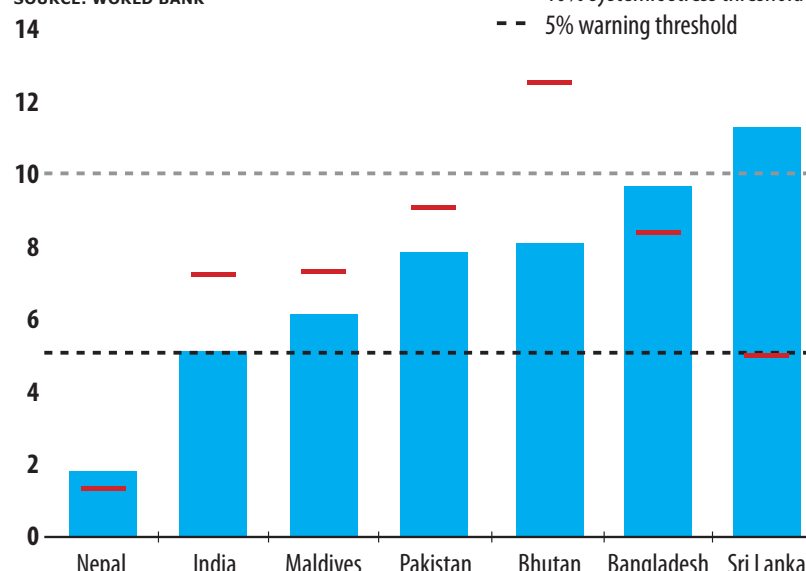
The ratio accounted for 8.16 per cent of the outstanding loans given out by banks as of December, up from 7.93 per cent a year ago, according to data from the Bangladesh Bank.

The WB said: "In Bangladesh, the NPL ratio has risen due to higher import costs, poor payment discipline of borrowers, and weak regulatory enforcement. The resumption of lax loan rescheduling and asset

NPL ratio in banks has increased in Sri Lanka and Bangladesh...

Banking sector non-performing loans (Per cent gross loan)

SOURCE: WORLD BANK



Ctg port braces for Cyclone

FROM PAGE B1

(CPA), said no new schedule would be given to release imported products, while outbound goods would not enter the port after 5pm.

"All activities will remain suspended until further instructions from the meteorological department."

About 2,000 containers were

delivered from the port till 4:00pm yesterday, official figures showed.

All canals of the Karnaphuli river have been cleared by shifting lighter vessels to the upstream of the Shah Amanat Bridge, Faruk said.

All of the CPA's tug boats, patrol boats and rescue ships have been taken to safe shelters while gantry cranes,

shore cranes and other equipment have been secured, he added.

The port authority has issued its own Alert No. 4, the second highest as per its Cyclone Disaster Preparedness and Post-Cyclone Rehabilitation Plan. The meteorological department has issued the "Great Danger Signal No. 8" for the maritime ports, officials said.

Air Astra to fly on Dhaka-Saidpur route from today

RASHIDUL HASAN

Air Astra, the youngest commercial airline in Bangladesh, will start operating flights on the Dhaka-Saidpur-Dhaka route from today.

The country's third privately owned airline after US Bangla and Novoair is scheduled to operate two flights daily on the route with one-way fares starting from Tk 3,490, including taxes.

This will be the fourth domestic destination, where Air Astra is going to run its flights. The three other destinations are: Chattogram, Cox's Bazar and Sylhet.

Imran Asif, chief executive officer of Air Astra, said Saidpur is an important destination in the northern region as it connects eight districts, namely Rangpur, Dinajpur, Panchagarh, Nilphamari, Lalmonirhat, Kurigram, Gaibandha and Thakurgaon.

The flights have been scheduled conveniently

Flights will depart from Dhaka for Saidpur at 2:10pm and 8:00pm while return flights will start at 3:40pm and 9:30pm.

keeping the potential travellers in mind. As such, flights will depart from Dhaka for Saidpur at 2:10pm and 8:00pm while return flights will start at 3:40pm and 9:30pm.

Asif emphasised the importance of Saidpur as a crucial destination on the domestic route network.

"We will operate more flights on this route soon. We hope that our valued passengers will appreciate the fantastic service on the ground and in the air," he added.

Mozammel Haque Bhuiya, head of marketing at Air Astra, said there are huge economic and industrial activities at the export processing zones and tea processing units in the country's northern region.

"As a result, the flow of passengers on this route is high," Bhuiya told The Daily Star.

Considering all these factors, Air Astra is going to operate commercial flights on this route, he added.

The airline started operating flights to Chattogram and Cox's Bazar on November 24, 2022, and Sylhet on February 23 earlier this year.



Coworking spaces may be a relatively new concept in Bangladesh but they are becoming increasingly popular among small businesses. This is because other than being a cheap way to secure office space, coworking areas foster the sharing of ideas, experience and knowledge.

PHOTO: COLLECTED

Coworking spaces helping small firms save big

MAHMUDUL HASAN

When Mohammad Oli Ahad founded Intelligent Machines back in 2018, finding a coworking space called Moar was a big relief as it helped save on numerous office expenses.

Employees of the artificial intelligence company, who are mostly IT engineers and coders, can work remotely given that they have the required digital devices, such as a laptop or smartphone.

Coworking spaces provide the option to lease desks and rooms on a monthly, daily or hourly basis with the equipment available, including Wi-Fi and dining space, being shared by the renters.

And so, freelancers, startups and even small teams of multinational companies in Bangladesh are increasingly opting for coworking spaces to keep costs low during the early stage of their business.

"This is a huge advantage, especially for those who start a new venture," Ahad said.

For example, Intelligent Machines, now a top artificial intelligence company, currently spends an average of just Tk 20,000 on rent each month.

"While very few people knew about it [coworking spaces] a few years back, the concept is getting popular now as more people are using the facility," he added.

Coworking spaces have been gaining popularity over the past six or seven years as small firms and individuals require affordable working spaces, especially in places like Dhaka where rent is exorbitant.

Nabila Nowrin, who co-founded Moar in 2015, said they provide affordable, productive and safe shared workspaces.

"Our mission is to support the sustainable growth of businesses in Bangladesh," she added. Hubdhaka became one of the first coworking spaces in Dhaka when it was launched in 2014 with global office space provider Regus having opened its facility in the country that same year.

The concept took off after 2015 with 15 firms, such as Cospace, Workstation 101, Bonik, Locus, AKOTA and Shuru Campus, now offering coworking spaces in the capital city.

Nowrin, who is an architect by profession,

said she started doing background research on coworking spaces in 2013 before going on to open Moar through a soft launch in Dhaka's Banani.

Initially, most of her clients were foreigners and so, the business took a hit following the terrorist attack on Holey Artisan Bakery in Dhaka in July 2016.

"But we officially launched in 2018 and then witnessed a steep rise in business and eventually opened another space in Dhanmondi," Nowrin added.

Coworking spaces provide the option to lease desks and rooms on a monthly, daily or hourly basis with the equipment available, including Wi-Fi and dining space, being shared by the renters

Moar suffered another downturn after the outbreak of Covid-19 as the company was forced to close its doors during the lockdown period.

However, this led to more opportunity as many people came to understand that they can work in a hybrid model, doing away with the need for a permanent office.

She then said that many international companies, such as global ridesharing platform Uber, initially started their business in Bangladesh at Moar.

"In addition, local employees of cross-border digital payment solutions provider Payoneer still work here," Nowrin added.

She went on to say that other than affordability, another big advantage of renting coworking spaces is that it is a hassle-free experience as the owners take care of cleaning, security and other issues.

"A fledgling firm can just hire people and tell them to start working from a coworking space," she said.

Another benefit of coworking spaces is that they facilitate the sharing of ideas, knowledge and experience as people of different

backgrounds are all working in the same area.

Besides, fostering professional relationships in these spaces can even help people explore opportunities for work outside their particular area of expertise.

Moar opened a new branch on Gulshan link road in 2021 and relocated its Dhanmondi branch to Shaptak Square the following year.

Now, the company has a total of more than 15,000 square feet for rent across its three branches, which register a monthly revenue of over Tk 25 lakh collectively.

"We want more entrepreneurs to come and set up coworking spaces," Nowrin said.

Fahad Iba Wahab, founder of CoSpace, echoed the same.

"Coworking space is very popular idea worldwide but there are still very limited options for startups to get such facilities in Dhaka," he said. As per official statistics, 90 per cent of startups fail in just one year with most having invested heavily on office expenses, which are not recoverable.

"If there are more coworking spaces, people would get used to the idea and this business would gain popularity. Also, firms would not have to invest a big amount for an office," Wahab added.

CoSpace currently has three branches in Dhaka and plans to slowly expand with its fourth branch set for launch within three months.

Wahab said the huge sums that have to be paid as a security deposit when setting up coworking spaces is the biggest obstacle for them.

Eushra Nashmin, CEO of WorkStation101, said her company was founded keeping startups in mind.

"We want to help resolve all the struggles a startup goes through at the initial stage of business, namely finding the perfect office with all the required amenities to impress their clients," she added.

WorkStation was launched in January 2020 in Uttara and is currently working on expansion.

"Our aim is to help startups in such a way that they can fully concentrate on their business and take it to a level that it becomes so big they will need an office of their own. This will be our true achievement," Nashmin said.

WORKING FROM HOME

Balancing personal and professional responsibilities

MAMUN RASHID

As the world evolves, so does the way we work. The concept of working from home (WFH), once a luxury reserved for the self-employed, has become a necessity for many during the pandemic.

We have seen how organisations and employees benefitted during the pandemic as employees even could put in extra hours with a bit of more space created in their personal and family life.

Thus, companies are adopting hybrid (both from home and at the workplace) and remote work models. This has allowed professionals and businesses to recognise its advantages.

It is expected that the trend of working from home will persist due to technological advancements and benefits such as reduced commute time, higher productivity, and improved work-life balance.

However, with reduced Covid-19 risks and the lifting of social distancing restrictions, some organisations are returning to older models with the perception that the productivity under the WFH arrangement is lower than in-office work.

Despite its benefits, WFH comes with its own set of challenges. One of the biggest challenges is the lack of structure and routine, which can lead to procrastination and decreased productivity.

The difficulty of separating personal and professional lives can blur the lines between the two, causing a loss of work-life balance, less social interaction, and eventually lower job satisfaction and burnout among remote employees.

Moreover, WFH can pose significant struggles with communication and collaboration, with 21 per cent of remote workers citing communication as their biggest struggle in a study by Owl Labs.

It also presents unique ethical dilemmas, including time theft, privacy concerns and issues with professional conduct. In growth-backed organisations, physical visibility and professional conduct are crucial factors for employee growth.

WFH may also affect fairness and equity, as some employees may not have access to the same resources and tools as others depending on their home environment and circumstances. This can create unfair advantages for some employees and lead to feelings of resentment.

Furthermore, as the lines between personal and professional lives blur, this can lead to issues with professional conduct, such as inappropriate communication with colleagues or clients.

Attending and working physically at the office have their own advantages. Collaborative work is easier when team members are physically present in the same location. Face-to-face communication allows for more spontaneous conversations and brainstorming sessions.

In-person meetings also allow for nonverbal cues and body language, which can be crucial for effective communication. Moreover, being in the same physical space fosters a sense of community and strengthens the work culture and bonding, leading to a positive environment, all of which are crucial for the enrichment of a growing organisation and its people.

Working from an office can provide opportunities for professional development, such as attending training sessions or networking events and getting access to office resources. These opportunities can help employees build new skills and advance their careers.

Despite the challenges and benefits associated with WFH, the debate for its sustainability will continue, and WFH is likely here to stay. Thus, it is pertinent to foster the right balance in a flexible working environment for employees to grow along with the organisation.

The author is an economic analyst

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PHOTO: COLLECTED

G7 finance chiefs move to diversify supply chains

AFP, Niigata

The G7 plans to launch a partnership scheme to diversify supply chains this year, the group's finance ministers said Saturday following talks in Japan ahead of a major summit next week.

The ministers did not directly cite a desire to reduce reliance on trade with China or Russia as motivation for the initiative, which focuses on clean energy technology.

But the United States has led a push for export controls on chip components to China, citing national security concerns, and US Treasury Secretary Janet Yellen pointed to recent shocks to the global economy.

"Spillovers from Russia's war against Ukraine and disruptions caused by the pandemic have made clear the importance of diversified and resilient supply chains," she told reporters.

Japanese Finance Minister Shunichi Suzuki also said Covid had revealed "the downside of supply chains being too concentrated in one place".

In a joint statement, the Group of Seven's finance ministers and central bank chiefs said they hoped to launch the partnership in collaboration with the World Bank "by the end of this year at the latest".

The scheme, dubbed RISE - Resilient and Inclusive Supply-chain Enhancement - builds on guidance released in April, and will offer interested developing countries "finance, knowledge and partnerships".

How much will be spent on the programme has not been disclosed.



A customer shops for vegetables in the fruit and vegetable section of a Sainsbury's supermarket in east London. After narrowly avoiding recession last year, the UK economy advanced 0.5 per cent in January before flattening in February and sliding 0.3 per cent in March.

PHOTO: AFP/FILE

UK economy ekes out growth in Q1

AFP, London

Britain's economy grew 0.1 per cent over the first quarter despite weakening in March, official data revealed Friday, as output continues to be hit by high inflation and strikes.

After narrowly avoiding recession last year, the economy advanced 0.5 per cent in January before flattening in February and sliding 0.3 per cent in March, the Office for National Statistics said in a statement.

"The fall in March was driven by widespread decreases across the services sector," noted ONS director of economic statistics, Darren Morgan.

"Despite the launch of new number plates, cars sales were low by historic standards - continuing the trend seen since the start of the pandemic - with warehousing, distribution and retail also having a poor month," he added.