

Onion import may be allowed soon Says agri secretary

STAR BUSINESS REPORT

government may soon allow onion imports as prices of the cooking ingredient are increasing in the domestic market, according to Agriculture Secretary Wahida Akhtar.

Onion imports have been temporarily stopped considering the interests of local farmers, she said in a meeting on onion prices yesterday.

As per ministry data, 34 lakh tonnes of onion were produced in the country this year and about 18.30 lakh tonnes of the vegetable are now in stock.

She said considering production and stock, there is no reason to increase onion prices in the country at the moment, but the market price is a bit high.

"The agriculture ministry is constantly monitoring the onion market. Onion import will be considered soon if the price is on the upward trend," she added.

On Thursday, Commerce Minister Tipu Munshi said the government will remove barriers on onion imports if prices of the bulb continue to rise.

Over the last month, retail prices of locally grown onion surged 85 per cent to Tk 60-70 per kilogramme in Dhaka from Tk 30-40 a month ago.

Prices of imported onions rose 59 per cent during the same period, prices showed compiled by the Trading Corporation of Bangladesh.

Ctg port operations expected to resume today

STAFF CORRESPONDENT,

Chittagong is expected to resume operations today following a two-day suspension of all activities for Cyclone Mocha.

"...we hope that the port operations will resume from Monday morning (today)," Omar Faruk, the port secretary, said yesterday upon inquiry.

"We hope that the ships will start arriving during the tide on Monday afternoon. From then on, the port activities will be

READ MORE ON B3

REASONS BEHIND HIGHER PROFIT



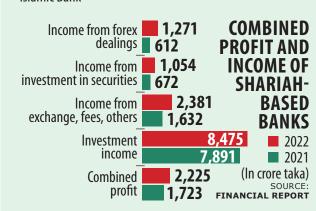
WHAT MARKED

Huge deposits

ISLAMIC BANKS IN BANGLADESH

income from

Islami Bank, Al-Arafah Islami Bank, Shahjalal Islami Bank, Exim Bank, Social Islami Bank, First Security Islami Bank, Union Bank, Standard Bank, Global Islami Bank, and ICB Islamic Bank



Profits of Islamic banks In crore taka; source: FINANCIAL REPORTS 2021 336 SIBL slami Bank First Security Global Islami It is a good sign that shariah-compliant banks logged higher profits during difficult period. Shah Md Ahsan Habib

Islamic banks post higher profit despite troubles

AHSAN HABIB

Most of the Shariah-compliant banks in Bangladesh clocked higher profits in 2022 despite a fall in deposits and the unprecedented fund withdrawal customers and liquidity crunch.

Last year, Islamic banks faced one of the toughest periods in recent times.

The banks that were awash with extra cash found themselves suffering from a liquidity dearth resulting from withdrawals by many depositors after reports on alleged loan scams surfaced.

The situation prompted the central bank in December to pump funds into a number of Islamic banks to enable them to meet emergency financing needs and comply with regulatory requirements.

Still, combined profits of the banks surged 29 per cent year-on-year to Tk 2,225 crore last year, driven by higher income growth from the investments in the government's Islamic bonds known as sukuks and the foreign exchange-related business.

But the net investment income, which refers to the net interest income for conventional banks, grew comparatively at a lower rate.

banks faced sudden problems in attracting deposits owing to several factors related to corporate governance, they redirected their focus to sukuks and commission and fees related

"As some of the Shariah- 2.71 per cent from Tk 421,375 crore in September, the first decline in eight years. This means they lost Tk 11,426 crore in deposits in the quarter, according to the October-December quarterly report on Islamic banking of the



said Shah Md Ahsan Habib, a professor at the Bangladesh Institute of Bank Management.

Islamic banks term loans and advances as investments.

When banks face difficulty in attracting deposits, they usually shift their attention from lending to investments in securities and services to receive higher commissions and fees, in a bid to generate revenues and keep

Deposits in Islamic banks declined to Tk 409,949 crore at the end of December 2022, down

Full-fledged Islamic banks were the biggest sufferers as they lost Tk 11,842 crore in the fourth quarter from the third quarter. They collectively held deposits worth Tk 379,951 crore in December, a decrease of 3 per cent from Tk 391,792 crore in September.

"The change in focus has worked well for banks, so they are recovering and they have logged profits. It is a good sign that Shariah-compliant banks logged higher profits during a difficult period," said Habib.

There are 10 Shariah-based banks in Bangladesh: Islami Bank Bangladesh Ltd (IBBL), Al-Arafah Islami Bank, Shahjalal Islami Bank, Exim Bank, Social Islami Bank, First Security Islami Bank, Union Bank, Standard Bank, Global Islami Bank, and ICB Islamic Bank.

Of them, Al-Arafah is yet to publish its financial reports for

Of the nine banks that published financial reports, seven saw higher profits, two reported lower earnings, and one remained

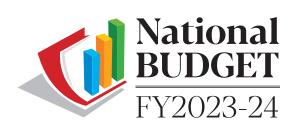
The banks' combined income from securities surged 57 per cent to Tk 1,054 crore last year while the income from commission and fees soared 46 per cent to Tk 2.381 crore.

Net investment income grew 7 er cent to Tk 8,475 crore.

IBBL, the largest Shariahbased bank in the country, logged the highest profit as it returned to the high-profit growth trajectory. Profits climbed 29 per cent to Tk

In 2021, IBBL's profits stood at Tk 480 crore. It was Tk 479 crore in 2020 and Tk 548 crore in 2019. Mohammed Monirul Moula, managing director of IBBL, told

The Daily Star: "Clients and READ MORE ON B3



Tax target likely to be missed for the 11th year

SOHEL PARVEZ

The tax collection growth fell further in April, making it tougher for the National Board of Revenue (NBR) to attain its goal of raising Tk 370,000 crore in the current fiscal year.

And two research agencies warned that the target would once again remain unachieved. The revenue administration collected Tk

247,390 crore in the 10 months to April of 2022-23, which was 67 per cent of the target for the entire financial year, according to the provisional data of the NBR.

This means taxmen will have to collect Tk 122,600 crore in the remaining two months of the vear ending in June.

"The target is likely to be missed," said MA Razzaque, director of the PRI Study Center on Domestic Resource Mobilisation, at a press briefing in Dhaka yesterday.

The amount of shortfall would be around Tk 54,600 crore in FY23, he said.

If the economist's projection turns into reality, this would be the 11th consecutive year the NBR, which collects more than 85 per cent of the state's total revenue, would miss the tax collection targets set by the government, data from the finance ministry showed.

The Centre for Policy Dialogue (CPD) earlier projected that the overall revenue collection shortfall from the government's target would be approximately Tk 75,000 crore if the current trend of revenue mobilisation persists.

The Policy Research Institute of Bangladesh (PRI) said the tax authority is also likely to lag behind the tax collection target of Tk 345,630 crore given by the International Monetary Fund (IMF) as a part of its \$4.7 billion loans.

CPD Executive Director Fahmida Khatun said the normal record of the NBR is that tax targets remain unattained.

"We are going to see that again. There is a capacity issue of the NBR. The tax net is not expanding while the implementation of the reforms has been sluggish.

Economic factors also affect revenue collection. "The economy is not recovering fully. Businesses

READ MORE ON B3



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

	ASIAN	ASIAN MARKETS		
S	MUMBAI	токуо	SINGAPORE	SHANGHAI
	0.20% 62,027.90	0.90% 29,388.30	0.65% 3,208.55	1.12% 3,272.36



PHOTO: RAJIB RAIHAN

Govt gets down to signing trade pact with Japan **Businesses from both countries prefer FTA** Depending on the outcome of the

REFAYET ULLAH MIRDHA

Both Bangladesh and Japan have begun negotiating the terms and conditions of a joint feasibility study in order to prepare the ground for signing a free trade agreement by 2025, officials said.

During Prime Minister Sheikh Hasina's visit to Japan last month, eight memoranda of understanding (MoU) were struck by the two sides. One MoU is aimed at agreeing to ink the FTA, said Senior Commerce Secretary Tapan Kanti Ghosh over the phone.

two-member delegation from Bangladesh also held a meeting with the senior officials of Japan in Tokyo last month. A back-to-back meeting of the

negotiators will be held in Dhaka soon, the senior secretary said. "Our target is to sign the FTA with Japan

by the end of 2025 or in early 2026. Bangladesh has got down to signing trade agreements with trading partners in order to retain duty-free export benefits after it graduates from the group of the leastdeveloped countries (LDCs) to a developing

nation in 2026. In December 2020, the country signed a preferential trade agreement with Bhutan, its first-ever bilateral trade agreement.

negotiation, the trade pact with Japan will be in the form of FTA, Economic Partnership Agreement (EPA) or Comprehensive Economic and Trade Agreement (CETA), Ghosh said earlier.



Most Japanese companies doing business in Bangladesh want Tokyo to pen an FTA with Bangladesh since they are expanding their footprint here and raising investments to grab a significant share in a market of 17 crore consumers.

Bangladesh is expected to be the ninthlargest consumer market globally by 2030, leaving behind the United Kingdom and Germany, said a report by HSBC Global Research.

A survey in June last year carried out

READ MORE ON B3



Farmers winnowing Boro season paddy to separate the dried grain from the chaff, hoping to get the harvest indoors as soon as possible lest it gets spoiled by sudden rains. Some 1.98 crore tonnes of the paddy were produced in the country in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken from Bastuhara area in Khulna's Khalishpur last week.

Unilever partners with Orange Corners

STAR BUSINESS DESK

Unilever Bangladesh Limited recently signed an agreement with Orange Corners, an initiative of the ministry of foreign affairs of the Netherlands, to support young entrepreneurs in Bangladesh.

Implemented by YY Ventures, BYLC Ventures, and SAJIDA Foundation, and supported by DBL Group and Unilever, the Orange Corners programme in the country aims to create opportunities for the next generation of Bangladeshi business leaders by providing them with the necessary tools and resources to succeed.

This partnership with Orange Corners Bangladesh aligns with Unilever's global mission to help create a more equitable and sustainable future, said a press

By supporting young entrepreneurs in Bangladesh, Unilever hopes to drive economic growth and create a positive impact on the community.

"Since 2020, Unilever has been working with social enterprises in Bangladesh and helping innovative social businesses to solve market-based solutions which can play vital roles in poverty reduction, economic development and pollution reduction," said Zaved Akhtar, managing director and CEO of Unilever

"Our collaboration with Orange Corners will allow us to reach a larger group of youth. I believe our combined strengths will create an inclusive and equitable entrepreneurship ecosystem in Bangladesh," he added.

Oppo to shut down chip design unit

REUTERS, Shanghai

smartphone Chinese maker Oppo said it will shut down its chip design unit, citing uncertainties in the global economy and the smartphone industry.

The company, of China's best-selling domestic smartphone brands, said it will cease operations of its Zeku unit, which it set up in 2019. Its products include the MariSilicon X chip, which is a neural processing unit (NPU) that improves images for video and photography taken on smartphones.

"Due to the uncertainties in the global economy and the smartphone industry, we have to make difficult adjustments for long-term development," a company representative said.

China's smartphone market is struggling to recover from one of its worst ever slumps as costconscious consumers continue to sny away irom big-ticket purchases.

Vietnam shoemaker for Nike, Adidas cuts almost 6,000 jobs

AFP, Hanoi

One of Vietnam's largest shoe manufacturers for brands such as Nike and Adidas will cut thousands of workers at the end of next month, blaming a slump in orders, state media said Saturday

"This will be the biggest layoff since PouYuen started its operation in Ho Chi Minh City in 1996," the state media outlet said

The country is among the world's largest exporters of clothing, footwear and furniture, but has been badly affected by the cost-of-living crisis in Europe and the United States, with the buying power of worldwide consumers shrinking.

PouYuen Vietnam, a unit of Taiwanbased Pou Chen Group, told local their jobs or had their hours cut in authorities it would lay off almost 6,000 Vietnam last year, according to the workers with permanent contracts labour ministry.

from the end of next month, VNExpress

"This will be the biggest layoff since PouYuen started its operation in Ho Chi Minh City in 1996," the state media outlet said.

The firm is among the commercial capital's largest employers, with an estimated 50,000 workers.

But it made a similar move in February letting go almost 3,000 permanent staff, and a further 3,000 temporary employees did not have their contracts renewed.

A third of production facilities in the city experienced reduced workforce demand in the first quarter of the year, according to a survey by Ho Chi Minh City's labour department. The downturn mostly impacted

shoes, clothing, construction and food processing industries, officials

PouYuen put 20,000 of its workers on paid leave in rotation last year.

More than 630,000 workers lost

Kimiwa, Sadiqur become Meghna Bank DMDs





Md Sadigur Rahman Kimiwa Saddat

STAR BUSINESS DESK

Meghna Bank recently promoted two officials to the post of deputy managing directors (DMDs).

The promotees, Kimiwa Saddat and Md Sadiqur Rahman, were working for the bank as senior executive vice-presidents, the bank said in a press

Saddat joined Meghna Bank on March 25, 2019 and worked in different capacities.

He previously worked for Eastern Bank and The City Bank.

He did an MBA from the Department of Finance at the University of Dhaka.

Rahman started his career with Sonali Bank as a senior officer in 1998.

He was working as a head of treasury of Meghna Bank and director and TREC holder representative of Meghna Bank Securities Ltd concurrently.

He previously worked for AB Bank. Rahman did an MBA from the University of

Prime Bank Securities gets new MD

STAR BUSINESS DESK

Md Moniruzzaman has been appointed as the managing and executive officer of Prime Bank Securities Limited effective from Sunday. Moniruzzaman joined the Prime Bank family in the equivalent rank of

He will also take the charge of any assigned responsibilities related to capital market business

deputy managing director

(DMD), said a press release.

He previously served in IDLC Investments Limited and City Group and worked in different capacities.

He was the vice-president of Bangladesh Merchant Bankers Association, a vice-president of CFA Society Bangladesh and a member of CSE Investors' Protection Fund Trustee Board.



Shah A Sarwar, managing director and CEO of IFIC Bank, attended a gold coin giving ceremony for the newborn babies and children of its employees held at Sena Malancha in Dhaka Cantonment on Saturday. Deputy managing directors and other senior officials of the bank were present. PHOTO: IFIC BANK



Zafar Alam, managing director of Social Islami Bank, virtually inaugurates 10 agent banking outlets from the lender's head office in Dhaka yesterday. Mohammad Forkanullah and Abdul Hannan Khan, deputy managing directors, Kazi Obaidul Al-Faruk, head of human resources division, Md Moniruzzaman, head of marketing and brand communication, and Md Mashiur Rahman, head of agent banking, were present. PHOTO: SOCIAL ISLAMI BANK



HBM Iqbal, chairman of Premier Bank, attended an "Annual Risk Management Conference-2023" of the bank at Renaissance Dhaka Gulshan Hotel recently. Among others, Mohammed Nurul Amin, executive director of Bangladesh Bank, Md Zabdul Islam, director of the department of off-site supervision, Kazi Arif Uz Zaman, additional director, and M Imran Iqbal, chairman of risk management committee at Premier Bank, M Shahidul Islam, consultant to the bank, and M Reazul Karim, managing director, were present.

PHOTO: PREMIER BANK



ABM Mokammel Hoque Chowdhury, managing director of Union Bank, inaugurates the bank's 1st quarterly "Business Review Meeting 2023" for Rajshahi, Khulna, Barishal, Rangpur, Mymensingh divisions and Noakhali, Feni, Laxmipur, Tangail, Rajbari, Shariatpur, Munshiganj districts in its head office, Gulshan in Dhaka yesterday. Md Nazrul Islam and Shafiuddin Ahmed, deputy managing directors, Md Golam Mostafa, senior executive vice-president, Md Mainul Islam Chowdhury, Md Azadur Rahman and Saiful Momin, executive vice-presidents, were present.

Robi Axiata's revenue rises 16% on strong data sales

STAR BUSINESS REPORT

Telecom operator Robi's profit rises 5.45 per cent year-on-year Tk 42 crore in the January-March quarter

At the same time, the company's revenue grew over 16.25 per cent to Tk 2,347.74 crore on the back of strong sales of data, Robi Axiata said in a statement.

"With a strong performance in Q1'23, we feel Robi is well poised for the remaining part of the year," Robi CEO Rajeev Sethi said in the

"Unfortunately, due to factors beyond our control, our profit after tax continued to struggle to fully reflect our robust performance. Due to 2 per cent minimum tax, our profit after tax more than halved in Q1'23; which meant, instead of being Tk 89.2 crore, our profit after tax was Tk 42 crore."

"Besides, forex loss of 76 crore taka also worked as a spoiler for our performance. We urge the tax authority to remove the 2 per cent minimum tax from the industry in the upcoming budget to ease the pressure for us," he said.

In the January-March quarter, Robi's voice revenue increased by 14.5 per cent year-on-year while data revenue grew by 17.5 per cent. Having added 12 lakh subscribers

in the three-month quarter, Robi's subscriber base reached 5.56 crore now, representing 30.2 per cent of the subscriber market share at the end of first quarter.

Binance pulls out of Canada amid new crypto regulations

REUTERS

Binance said on Friday it was withdrawing from Canada, weeks after the country issued a series of new guidelines for cryptocurrency exchanges including investor limits and mandatory registrations.

Canada has tightened regulations for crypto asset trading platforms in recent months, with the introduction of a pre-registration process. The companies that do not adhere to the rules will face potential enforcement action, according to the website of the Ontario Securities Commission.

"Unfortunately, (the) new guidance related to stablecoins and investor limits provided to crypto exchanges makes the Canada market no longer tenable for Binance at this time." cry exchange Binance said in a tweet.



The current tax structure for e-commerce companies includes 6 per cent turnover tax, 5 per cent value-added tax on sales commission and 15 per cent VAT on delivery charges. PHOTO: STAR/FILE

Tax rebates needed for recovery of e-commerce: e-CAB

MAHMUDUL HASAN

Different tax rebates are needed to help e-commerce companies in Bangladesh regain their growth trajectory after facing a significant downturn for the past two years, according to industry people.

The current tax structure for e-commerce companies includes 6 per cent turnover tax, 5 per cent value-added tax (VAT) on sales commission and 15 per cent VAT on delivery charges. Meanwhile, different rates of tax deducted at source are also levied.

As such, the e-Commerce Association of Bangladesh (e-CAB) has placed their demand for rebates or reductions of these taxes to boost the industry's growth.

In a letter to the National Board of Revenue, the e-CAB also proposed cutting the 15 per cent VAT on rent for office space, fulfilment centres and sorting houses.

If e-commerce platforms get these rebates, it will support the growth of tax regimes to bolster e-commerce ensure VAT compliance. the country's digital economy, said Mohammad Sahab Uddin, vice president of e-Cab.

E-commerce platforms in Bangladesh shopping," he added. are not very profitable and so, 6 per cent turnover tax only exacerbates their losses, said Fahim Mashroor, CEO of AjkerDeal.

Instead, the tax structure should be favourable and encourage people to make online purchases.

But in Bangladesh, people pay an additional Tk 100 for every Tk 1,000 worth goods bought from e-commerce companies, he added.

While the government only collects a very small amount of revenue from e-commerce, it puts enormous pressure on the platforms, said Zeeshan Kingshuk Huq, director and Group COO of Agile Minds Solutions Ltd.

Huq then pointed out that India and Singapore implemented a tax-free policy for their e-commerce platforms, propelling their growth for over a decade.

"Most of these countries had relaxed growth. And now, only after the sector boomed, they are bringing taxes on of liabilities for VAT should lie with the online shopping similar to offline individual sellers of goods and services.

Huq went on to say that the worst trouble e-commerce companies have to go through is tax return submission as all the complicated tax rules imposed are somewhat open to interpretation.

To address the issue, industry people suggest including the definition of an "online marketplace" in VAT regulations, where the classification of digital shopping portals such as Sheba XYZ and Daraz is not clear.

'We believe this proposed amendment will create a more inclusive, transparent and equitable business environment for all while also helping the government maximize its revenue from the sector," said AHM Hasinul Quddus, chief corporate affairs officer of Daraz.

Industry players say VAT law applies differently to different categories of sellers and so, it is impossible for a marketplace that bridges merchants and customers to

So, e-Cab proposed the reporting

Grameen Bank to invest Tk 200cr in stock market It forms a mutual fund

STAR BUSINESS REPORT

Grameen Bank is going to invest Tk 200 crore in the stock market by forming a mutual fund named Capitec Grameen Bank Growth Fund.

Yesterday, the fund's sponsor Grameen Bank, trustee Investment Corporation of Bangladesh (ICB) and fund manager Capitec Asset Management Company signed two separate agreements in this regard at Grameen Bank's head office in the capital.

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

This is going to be the fourth mutual fund managed by Capitec Asset Management. The objective of the fund is to provide lucrative dividend to its shareholders by making money by getting capital gain and cash dividend from listed companies.

It would invest in several securities of the capital market and money market.

Capitec's Chairman Hasan Rahman and Managing Director M Mahfuzur Rahman attended the signing ceremony of the deals.

Prof AKM Saiful Majid, chairman of Grameen Bank; Md Mosleh Uddin, managing director (acting), and Md Abul Hossain, managing director of ICB, were also present.

IDLC Finance's profits slump 29% in Q1

STAR BUSINESS DESK

IDLC Finance Limited vesterday reported securing a profit of Tk 13.9 crore in the first quarter of 2023.

This is however 29 per cent less than what the non-bank financial institution made in the same period of the previous year.

The company logged a consolidated profit after tax of Tk 34.4 crore in the January-March quarter of the current year.

It was Tk 48.3 crore in the same period last year. The details of the first quarter's financials were

declared at a board meeting.

The rate cap imposed by the central bank resulted in lower interest income and higher payments on deposits while capital market income has decreased, the two major reasons for the fall in profit, the company said in a press release.

In Q1 2022, the lending business operated on an open market and risk-based pricing system.

Moreover, the central bank had imposed a mandatory rate revision on NBFIs in July 2022, significantly decreasing the interest income from lending operations.

Furthermore, the ongoing liquidity pressure in the market since the second half of 2022 created a deposit rate push, the impact of which was the hike in the cost of funds.

Govt gets down to signing trade pact

by the Japan External Trade Organisation (Jetro) showed that 85 per cent of local and Japanese companies with operations in both nations want their respective governments to strike FTA so that they can continue enjoying duty benefits after Bangladesh becomes a developing nation.

An FTA is an agreement in which two or more countries agree to provide preferential trade terms, tariff concession and other benefits to the partner country. A negative list of products and services is maintained by the countries on which the terms of FTA are not applicable.

The Jetro survey showed 20 per cent of companies may even relocate from Bangladesh to more competitive destinations in Southeast Asia if no FTA is signed.

Of the respondents among the local companies, 87 per cent have world's third-largest economy. sought an FTA between the two

countries.

where the export of goods from EPAs. Bangladesh crossed the \$1-billion mark for the first time since 2012 shipments, which account for 95 per cent of the earnings.

Local garment exporters have targeted to ship \$10 billion worth of garment items to Japan by 2030 and are drawing up strategies in a bid to elevate sales in the growing Asian market in general and in Japan in

Bangladesh have deepened over the decades.

The number of Japanese companies operating in Bangladesh has tripled over the last decade, reaching 338 in 2022.

In December, the Japanese Special Economic Zone at Araihazar of Nayaranganj was inaugurated to attract more investments from the

ministry of Japan, the nation GSP for garment products should be Japan is the only Asian nation currently has 21 operational FTAs or

Some local companies say the country would lose on the back of increased garment competitiveness in the absence of a generalised system of preferences (GSP) facility in comparison to the countries that have signed FTAs with

> The tariff will go up from 7.4 per cent to 10.9 per cent on garment exports to Japan if the GSP expires, the survey said.

Bangladesh shipped goods worth Trade ties between Japan and \$1.35 billion to Japan in the last fiscal year, up 14.40 per cent yearon-year, according to data from the Export Promotion Bureau. Of the sum, \$1.10 billion came from apparel shipments.

The shipment of garment items started leapfrogging in April 2011, when Japan relaxed its Rules of Origin for the LDCs and for the knitwear sector.

According to the findings of the According to the foreign affairs Jetro survey, the existing RoO in the

China's deposit pile stands in the way of recovery

REUTERS, Shanghai/Singapore

China's increasingly urgent efforts to tip its mountain of savings into the economy are running up against depositors shy of all but the safest investments, in the latest sign that weak confidence is holding back postpandemic spending and growth.

prodding The latest move the "big four" state banks to cut top deposit rates this month -seems only to have extended a unseen since November, when the rush into other deposit products and government debt, suggesting caution runs so deep it will be

difficult to shift. Television pictures this week showed early-morning queues at banks in Beijing for buying treasury savings bonds, while newspapers carried stories of young investors riding trains and buses to far-flung branches seeking the highest deposit rates.

Bankers told Reuters they ran out of bonds soon after opening. Government debt yields - which fall when prices rise - dropped to levels economy was still being throttled by China's zero-tolerance policies to

The trend defies expectations that savings would pour back into stocks and consumption once virus controls were lifted, and as term deposits have swelled that looks even more unlikely to happen.

"The 8 trillion yuan surge in new household deposits in 2022 triggered some bullish market views that this ... would lead to a massive release of post-pandemic pent-up demand," said Ting Lu, chief China economist at Nomura.

"However, new household deposits rose further," he said.

READ FULL STORY ONLINE

Islamic banks post higher profit investment portfolio," Moula added.

Tk 151 crore.

shareholders have kept their faith in our bank while the regulators have played a supportive role as we work for the national interest.' He cited the contribution of the

sukuks to the profits of Shariahcompliant banks. The instruments were almost nonexistent in Bangladesh a couple of

vears ago.

"The Shariah-based banks lacked diversified investment tools. Sukuks

Exim Bank's profits rocketed 73 per cent to Tk 372 crore and Union Bank's profits jumped 73 per cent to

In line with global trends, Islamic banking in Bangladesh is witnessing robust growth due to strong public demand and policy support from the Bangladesh Bank, said the central bank in a report.

At the end of December, Islamic banks represented a 25.81 per cent have helped banks diversify the share of the entire banking system in

terms of deposits and 29.20 per cent when it comes to investments.

The number of branches of Islamic banks, including Islamic branches and windows of conventional commercial lenders, rose to 2,217 in 2022 from 2,080 a year ago. They employed 49,851 at the end of December, central bank data showed.

Eleven conventional banks have Islamic banking branches and 14 have Shariah-compliant windows.

Tax target likely to be missed

FROM PAGE B1

are yet to rebound from the coronavirus pandemic and they are driver of collection. The indirect tax now facing the fallout of the war in receipts grew 12 per cent to Tk 95,100 Ukraine," Fahmida said.

The NBR, which saw a recovery in tax collection following the reopening of the economies after the lifting of Covid curbs, recorded only 6 per cent growth in tax collection in the July-April period of FY3. It was 15 per cent during the identical period a

vear ago. NBR data showed that tax collection from international trade grew only 1.68 per cent year-onyear to Tk 74,230 crore in July-April

owing to falling imports. Income tax receipts rose 3.15 per cent to Tk 78,058 crore.

Value-added tax, the biggest source which is 16 per cent higher than the of collection, has been the major

PRI's Razzaque said there has been a continuing stagnation in NBR and it will be extremely difficult to revenue growth in comparison with the growth of gross domestic product

Revenue earned as a percentage of the GDP from VAT and import duty has deteriorated in 2021-22 compared to 2009-10.

However, there has been a slightly positive impact on income tax, the economist added.

in July, the NBR is likely to be given GDP in FY22, according to the World the task of collecting Tk 430,000, Bank.

current fiscal year's revenue target. Razzaque said the overall collection might be around Tk 310,000 crore to

"As such, the goal will be steeper achieve the target in the next fiscal

Fahmida is equally doubtful.

Tk 315,000 crore in FY23.

"Without reform and capacitybuilding and institutional strengthening, the target will not be achieved within a year unless there is any magic."

In Bangladesh, tax revenue remained among the lowest in the In the next fiscal year, which starts world at an estimated 7.6 per cent of

Ctg port operations

FROM PAGE B1 operational. Import-export trade will begin," he said.

of any accident or shipwreck in the waters under the port's jurisdiction," he added. However, the port's "Alert-4"

will not be called off until the meteorological department withdraws its warning, said Faruk. The port authority issued the

Cyclone Disaster Preparedness and Post-Cyclone Rehabilitation Plan, on 'So far I have not received any news Friday night to avoid possible risks.

It was in line with the meteorological department's "Great Danger Signal No. 8" issued for the maritime ports.

As a result, goods unloading at the port's jetties, internal management of goods from large ships to small at a safe distance.

alert, the second highest as per its ships at the outer anchorage and movement of goods inside the port were suspended.

> All vessels at the jetties were sent out to sea at high tide on Saturday while cargo ships in the outer anchorage were barred from entering.

At the same time, all equipment used for lifting and handling products activities, product delivery, transfer at jetties were secured and kept away

BUSINESS

Dhaka Bank makes Tk 59cr profit in Q1

STAR BUSINESS REPORT

Dhaka Bank Ltd's profit fell 13.70 per cent year-on-year to Tk 59.83 crore in the first quarter of 2023, owing to a drop in operating profit.

The profit stood at Tk 69.32 crore in the same three-month period of 2022.

Earnings per share were Tk 0.63 in January-March this year against Tk 0.73 in the first quarter of 2022, the unaudited financial statements showed.

"The EPS decreased due to a reduction in operating profit," said the private commercial bank in a filing on the Dhaka Stock Exchange.

The net operating cash flow per share (NOCFPS) sprinted to the positive territory at Tk 8.21 in the quarter from a negative Tk 4.36 in January-March last

"The NOCFPS increased thanks to the sale of trading securities, a drop in loans and advances to customers, and an increase in deposits from other banks," said the

The net asset value per share rose to Tk 23.29 on March 31 this year from Tk 22.81 last year because of the increase in surplus in the profit and loss account.

Reliance Insurance's profit up over 24% in Q1

STAR BUSINESS REPORT

Reliance Insurance Ltd registered a 24.2 per cent year-on-year rise in profit to Tk 16.72 crore in the first quarter of the current financial year.

The profit stood at Tk 13.46 crore in the same period of 2022, according to a post on the Dhaka Stock Exchange.

insurer, thus, The consolidated earnings per share of Tk 1.59 for January-March of the first quarter of 2022.

The consolidated net operating cash flow per share jumped to Tk 4.23 from Tk 1.28.

The earnings per share and the net operating cash flow per share rose due to an increase in premium income, said the post.

The consolidated net asset value per share slipped to Tk 63.24 on March 31 this year from Tk 64.15 on December 31 last year.

Shares of Reliance Insurance rose 2.71 per cent Tk 56.90 on the DSE yesterday.

PROFITABILITY



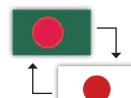
Around 48.2% of Japanese companies operating in Bangladesh made profit in 2022



Around 62% of the companies expect to make profit in 2023



Companies fear profit margin will drop in 2023 due to rising raw material prices



EXPANSION

Some **72**% of Japanese companies have plan to expand business in Bangladesh

NUMBER OF COMPANIES

A total of 314 companies are operating in Bangladesh

INVESTMENT

Total investment now stands at \$380m

AREAS OF INVESTMENT

Gas, petroleum, trading, chemical, pharmaceuticals, leather, readymade garment

BURDEN FOR 2023

Rising raw material price, procurement costs, labour costs, logistics costs, fuel costs

MAJOR CHALLENGES



Complicated

customs

clearance





fluctuation



Power shortages or blackouts

62% Japanese firms expect profit in **2023:** survey

JAGARAN CHAKMA

Around 62 per cent of Japanese companies in Bangladesh expect to turn a profit in 2023 even though the country's macroeconomic situation is currently unstable, according to a survey of the Japan Trade Organisation External

This is mainly due to the fact that business is improving in line with the reduced impact of Covid-19. About 48 per cent of Japanese companies in the country registered profit last year.

However, the firms forecast lower margins this year compared to 2022 as the rising cost of raw materials, procurement, labour, logistics and fuel will remain a

The survey was conducted from August 22 to September 21 last year with all 314 Japanese companies operating in Bangladesh taking

of business confidence for 2023, as per the study, styled "Jetro Survey on Business Condition of Japanese Companies Operating Overseas (Asia and Oceania)".

Although Japanese investment in Bangladesh now stands at more Bangladesh. than \$380 million, this is just 0.1

per cent of their overall investment the Bangladesh Economic Zones

Japanese companies in the country mainly invested in the gas, petroleum, trading, chemical, pharmaceutical, leather garment sectors

> The firms forecast lower margins this vear compared to 2022 as the rising cost of raw materials, procurement, labour, logistics and fuel will remain a burden

Bangladesh is forecast to come third in terms of profit growth for Japanese firms among all countries and regions, the survey

As such, 72 per cent of the companies plan to expand their As was the case the year before, operations in the country within Bangladesh ranked fourth in terms the next two years, up from 68 per cent in the previous survey.

> the government Besides. has established the Japanese Economic Zone at Araihazar upazila of Narayanganj to facilitate Japanese investment in

The zone, jointly owned by

Authority, Japan International Cooperation Agency Sumitomo Corporation, opened last year.

Sources at the Bangladesh Economic Zones Authority said five companies, including Lion Corporation of Japan, Onoda and Nikka Chemical, have already signed agreements to set up factories in the dedicated industrial area.

Apart from this, 40 other companies have shown interest in investing as well with about 30 of them being Japanese.

During a recent visit to Japan, Prime Minister Sheikh Hasina called for taking the business and investment relationship between the two countries to a higher level.

"Our embassy in Tokyo is ready to cooperate and facilitate your ventures in Bangladesh. Please come to Bangladesh to explore the potential of business and investment opportunities waiting for you," she said.

Also, Dhaka and Tokyo signed eight agreements and memorandums of cooperation on agriculture, the metro rail, industrial upgradation, ship recycling, customs, intellectual properties, defence cooperation and ICT and cyber security.

Linde Bangladesh's profit drops 53% in Jan-Mar

STAR BUSINESS REPORT

Linde Bangladesh Limited reported a Tk 14.03 crore profit for the first quarter of 2023, a drop of 53 per cent year-on-year.

The multinational gas manufacturer clocked a profit of Tk 29.90 crore in the same January-March quarter in 2022.

The earnings per share, thus, fell to Tk 9.22 in the first quarter of the year against Tk 19.65 during the identical three-month period of 2022, according to the unaudited financial statements of the company.

The EPS decreased due to lower sales and higher prices of raw materials in the international market coupled with the recent foreign exchange movement, said Linde in a filing on the Dhaka Stock Exchange.

The net operating cash flow per share surged to Tk 37.53 from Tk 13.71, thanks to favourable payment terms accepted by the overseas vendors.

The net asset value per share dropped to Tk 406.65 on March 31 this year from Tk 415.20 on the same day last year.

Digital transactions that shield your money

TANVIR A MISHUK

A heart-wrenching image: With everything perishing in the inferno, Bangabazar traders were sobbing inconsolably with burnt notes.

The fire ravaged the entire market, leaving hundreds of businesses suddenly depressed and impoverished. To them, the razed clothing market conjured an image of horror at a time when they were eying big sales ahead of Eid.

According to different media reports, around Tk 1,000 crore taka worth of goods had been burnt to ashes. Although the amount of cash burnt could not be ascertained, it would be few crores, as claimed by traders. Another massive fire that broke out at New

Super Market in Dhaka caused a loss of around Tk 300 crore. Traders alleged there was widespread looting during the fire that ravaged their clothing

Had they got accustomed to digital transactions, the money could have been saved from burning or looting. Here lies the significance of why we are promoting cashless transactions.

We have come across a number of fire-affected traders who would use mobile financial services for transactions. That is why the amount they had in their mobile wallets or bank account remained safe. Just imagine if we build a completely cashless society, nothing can damage our money, be it fire, flooding or any other calamity.

Another important thing is that digital transactions will speed up money flow, leading to a boost in productivity. Using different transaction channels,

especially mobile money, we can use or transact the same money multiple times within a very short time without any physical intervention. This will

ultimately help overall economy grow. Bangladesh has set a goal to make at least 75 per cent of retail transactions digitally by 2027 and for that they are mainly

riding on mobile money. This is a time-befitting move that will speed up Bangladesh's transition to a non-cash society. Needless to say, mobile financial service (MFS) providers will have a big role to play in reaching the

Both the mobile money industry and banking sector have been relentless to popularise digital transactions, as reflected in their continuous introduction of products and services tailored to meet people's changing needs.

But undoubtedly, we can also say that the horizon of mobile money is multiple times higher than other digital payments as it covers a wider range. And we believe the more people switch to a digital platform, whether it be MFS or card-based banking service, the faster the ecosystem will be ready A big data centre will be built in line with the

growing digital transactions of people, which will ultimately play a major role in making our overall economy digital. Our future transactions will revolve around such data.

In this way, mobile money operators will also be able to launch microcredit and savings services for our customers based on their transaction patterns.

Based on the credit rating, the MFS sector will also introduce "Buy Now Pay Later" service, which will allow end-level customers to buy products on credit and pay at their convenience. It is now available in credit card but we are trying to introduced in on mobile payment segment and I am very confident that it will change the whole paradigm of the payment procedure. Smart transactions will also lead to less use of

cash. A couple of years ago, I read an article on The Daily Star and learned that the country spends about Tk 9,000 crore to manage cash. So, I think the state can save money if we popularise digital transactions. The government has set a target to secure the

country's position as "Smart Bangladesh" by 2041. so as a mobile money carrier our main job is to make transactions smarter to achieve that goal.

The writer is founder and managing director of Nagad Limited

Most Ctg garment factories kept shut for cyclone

ARUN BIKASH DEY, Chattogram

Most garment manufacturing companies in Chattogram kept their factories closed yesterday following a request of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) centring apprehensions over Cyclone Mocha's impact.

According to sources in the BGMEA, the apex trade body of garment makers issued a notice to all members of Chattogram on Saturday afternoon.

Supply of gas from a floating liquefied natural gas (LNG) terminal in Maheshkhali has been suspended for the cyclone, so industrial plants and CNG filling stations in Chattogram are not getting any, said the

Gas-powered factory boilers and workers' transport vehicles cannot be operated, so the factories in Chattogram should be kept closed for the day so that workers do not face any commute-related suffering, it

In response to the call, about 70 per cent of garment factories in Chattogram were kept shut, according to the BGMEA sources. The gas supply related suspensions were

confirmed by Syed Nazrul Islam, first vice president of the BGMEA, upon inquiry.

export processing zones, were kept shut, he

Ones that did stay open are not doing much work and will also be closed by 1:00 pm, he added. The garment factories in Chattogram

employ around seven lakh workers, said

Supply of gas from a

floating liquefied natural gas (LNG) terminal in Maheshkhali has been suspended for the cyclone, so industrial plants and CNG filling stations in Chattogram were not getting any gas

If the decision-making process for sending out the request had been properly coordinated, all the factories would have complied, said Nasir Uddin Chowdhury, former first vice president of the BGMEA.

"Many may be in a rush over urgent shipments of products, they have to keep factories open," he said.

"The BGMEA can only make requests but cannot impose decisions on any member. About 60 per cent of the 375 garment Hence more coordinated action in urgent factories in Chattogram, including those in decision-making is required," he said.



In the aerial image taken on May 12, the Marathon Petroleum El Paso Oil Refinery is seen during takeoff from El Paso International Airport in El Paso, Texas. Oil prices settled more than 1 per cent lower on Friday to \$74.17 a barrel, falling for the third consecutive week, as the market balanced supply fears against renewed economic concerns in the United States and China.