

Star BUSINESS

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Per capita income rises in taka, falls in dollar

STAR BUSINESS REPORT

The country's per capita income dropped in US dollar value, but in Bangladeshi taka the amount rose by Tk 29,367 in 2022-23 thanks to the exchange rate fluctuations.

The per capita income was Tk 241,047 in 2021-22, which was estimated to increase to Tk 270,414 in 2022-23, according to the provisional projection of the Bangladesh Bureau of Statistics (BBS).

However, per capita income dropped by \$28 in the US dollar value to \$2,765 from the previous year's \$2,793.

Due to the depreciation of the local currency, the per capita income rose in Bangladeshi taka, according to the provisional estimate.

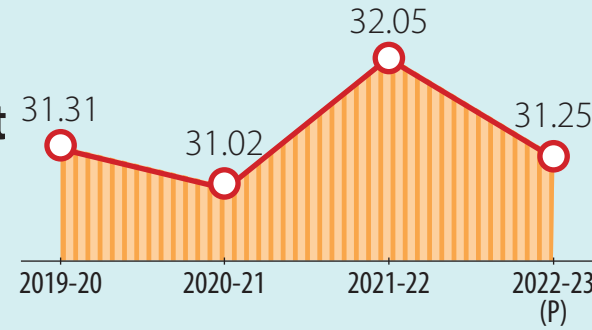
The taka depreciated 24 per cent to Tk 107.8 in the last one year, according to the Bangladesh Bank data.

Sector-wise GDP growth rate

	2021-22	2022-23 (P)
Agriculture	3.05	2.61
Industry	9.86	8.18
Service	6.26	5.84

Domestic investment ratio against GDP

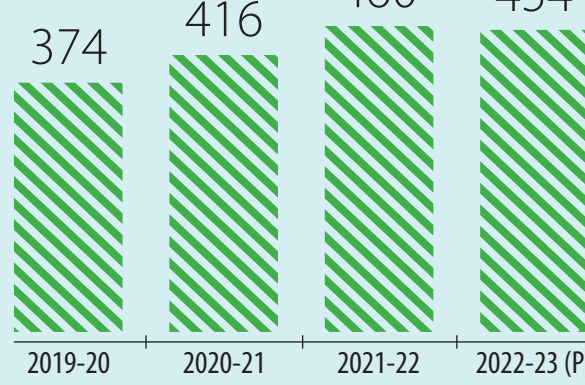
SOURCE: PLANNING MINISTRY



GDP in current price

In billion US\$; SOURCE: PLANNING MINISTRY

P= projection



OTHER INDICATORS

	2021-22	2022-23 (P)
Per capita income (taka)	241,047	270,414
Exchange rate (taka/dollar)	86.3	97.81
Per capita income (US dollar)	2,793	2,765



LankaBangla Finance to issue Tk 200cr bond

STAR BUSINESS REPORT

LankaBangla Finance PLC said its board has approved the issuance of a zero-coupon bond to raise Tk 200 crore.

The 4th zero-coupon bond will be issued in a face value to generate liquidity to meet ongoing financing requirements, said the non-bank financial institution in a post on the Dhaka Stock Exchange yesterday.

A zero coupon bond is a debt security that does not pay interest but instead trades at a deep discount, rendering a profit at maturity, when the bond is redeemed for its full face-value.

In another disclosure, LankaBangla Finance said it registered a 65 per cent year-on-year fall in profit to Tk 8.08 crore in the first quarter of the current financial year.

The profit stood at Tk 23.17 crore in the January-March period of 2022.

The NBFI, thus, reported consolidated earnings per share of Tk 0.15 for January-March of the current

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Industrial slump leads to GDP growth slide

REJAUL KARIM BYRON and AHSAN HABIB

Bangladesh's gross domestic product is estimated to have grown at a slower pace in the current financial year with the biggest blow stemming from the industrial sector, official figures showed.

The GDP is estimated to have expanded by 6.03 per cent in the fiscal year ending in June, down from 7.1 per cent in 2021-22, according to the provisional projection of the Bangladesh Bureau of Statistics (BBS).

It comes as the industrial sector has been grappling with a sharp fall in the value of the taka against the US dollar and lower investment, exports and import of raw materials.

The industrial sector's growth dropped by 1.68 percentage points to 8.18 per cent in 2022-23. It was 9.86 per cent a year ago.

The growth of the agriculture sector slipped by 0.44 percentage points to 2.61 per cent and the services sector

declined 0.42 percentage points to 5.84 per cent.

The services sector accounts for about 53 per cent of Bangladesh's GDP, while the industrial sector constitutes about 36 per cent and the

agriculture sector about 11 per cent.

The BBS projection is based on the performance of the various indicators of the economy in the first half of FY23. According to Zahid Hussain, a former lead economist of the World Bank's Dhaka office, the data shows a deceleration of

growth in all sectors, suggesting the existence of adversities common to all.

"Clearly, these had to do with energy and foreign exchange shortages, which disrupted investment and production."



Bangladesh has been going through an energy crisis since the global energy market took a hit from the outbreak of the Russia-Ukraine war in February last year.

The situation prompted Bangladesh to go for import controls of non-essential and luxury items amid falling foreign currency reserves.

The government also paused the purchase of liquefied natural gas from the international open markets to stop the erosion of the reserves. The import controls affected the import of primary energy, which, in turn, disrupted the production of electricity, leading to nationwide power outages and their consequent adverse effects on production.

The reserve stood at \$41.94 billion on May 10 last year but it slipped to \$30.34 billion on May 10 this year as import bills surged for higher commodity prices in the global markets, according to the central bank.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said the industrial sector has been seriously impacted as many factories failed to import adequate raw materials.

"So, their production fell." Between July and March, the opening and settlement of letters of credit for importing industrial raw materials

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Tax return filing deadline extended for companies

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has extended the deadline for companies in Bangladesh to submit their tax returns for the 2022-23 income period until June 15 this year, according to a notice issued yesterday.

The benefit will be applicable for companies that sought time from the tax authority to file tax returns, said the notice signed by Md Mohidul Islam Chowdhury, second secretary of tax policy at the NBR.

The move comes as many companies that follow the July-June financial year could not file returns even after seeking time since the end of Tax Day, which is on January 15 every year.

Taxmen say a large number of companies could not file returns this year as they could not

The move comes as many companies that follow the July-June financial year could not file returns even after seeking time since the end of Tax Day, which is on January 15 every year.

complete the preparation of their annual reports in compliance with the NBR rule of submitting tax returns using the Document Verification System (DVS), said NBR officials.

The DVS is digital system developed by the NBR and Institute of Chartered Accountants of Bangladesh (ICAB) in November, 2020, to prevent the submission of falsified accounts along with tax returns to evade taxes.

The tax authority in December the same year made the use of DVS mandatory to ensure that businesses deposit their due amount of corporate income tax to the state coffers.

Through this digital system, ICAB members have to provide five key financial data on the company they are auditing. This includes the firm's profits, turnover, total assets and the company's liability for a stipulated period.

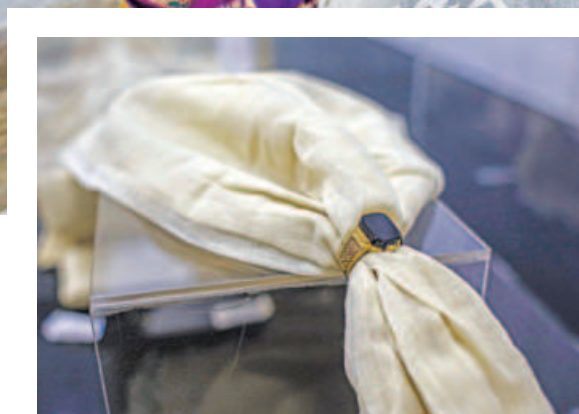
A top official of the NBR said many companies

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STOCKS	
DSEX ▲	CASPI ▲
0.27%	0.24%
6,277.20	18,481.46

COMMODITIES	
Gold ▼	Oil ▼
\$2,005.17	\$71.24
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.66%	▲ 0.73%	▼ 0.02%	▼ 0.60%
61,932.47	29,482.99	3,214.04	3,290.99



A demonstration of the production process of muslin as a part of a seminar on the fabric's revival and potential of investment organised by Bangladesh Handloom Board at Bangladesh Parjatan Corporation in the capital's Agargaon yesterday. Inset, another demonstration proving true a claim passed through the generations that the fabric is so fine that a six-yard sari could be passed through a ring. Story on B3. PHOTO: RASHED SHUMON

Celebrating 30 years of togetherness

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A woman lays down a basket of freshly threshed paddy of the Boro season by the Pukuria haor in Baishtila area of Sylhet sadar upazila. Sown or transplanted from mid-November to mid-February and harvested from April to June, Boro season paddy accounts for nearly 55 per cent of the country's yearly production of rice, which is a staple food for Bangladesh. Some 1.98 crore tonnes of the Boro season rice were produced in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken recently.

PHOTO: SHEIKH NASIR

China's economic recovery losing steam

REUTERS, Beijing

China's April industrial output and retail sales growth undershot forecasts, suggesting the economy lost momentum at the beginning of the second quarter and intensifying pressure on policymakers to shore up a wobbly post-Covid recovery.

Tuesday's batch of data, which also showed a further decline in property investment, adds to concerns about the outlook for the world's second biggest economy as both its domestic and export engines of growth remain underpowered.

Industrial output grew 5.6 per cent in April from a year earlier, accelerating from the 3.9 per cent pace seen in March, data released by the National Bureau of Statistics (NBS) showed. It was well below expectations for a 10.9 per cent increase in a Reuters poll of analysts although it marked the quickest growth rate since September 2022.

Retail sales, a gauge of consumption, jumped 18.4 per cent, up sharply from a 10.6 per cent increase in March for their fastest increase since March 2021. Analysts had expected 21.0 per cent growth.

The year-on-year figures were heavily skewed by contractions last April when the financial hub of Shanghai and other major cities were under stringent anti-virus lockdowns and curbs, which severely impacted growth in the Asian giant in 2022. "Today's weaker than expected data show how difficult it is to keep the growth engine running after restarting it," said Bruce Pang, chief economist at Jones Lang Lasalle.

Nomura economists took an even dimmer view: "As disappointment kicks in, we see a rising risk of downward spiral, resulting in weaker activity data, rising unemployment, persistent disinflation, falling market interest rates and a weaker currency."

Stocks rise on the back of insurance

STAR BUSINESS REPORT

The Dhaka and Chattogram stock exchanges closed higher yesterday on the back of insurance stocks.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), added 17 points, or 0.27 per cent, to close at 6,277.

The DS30, the blue chip index, rose 0.34 per cent to 2,193 while the DSES, the Shariah-compliant index, went up 0.17 per cent to 1,368.

Turnover, a key indicator of the market, gained 13.93 per cent to Tk 744 crore.

Of the securities that traded on the premier bourse of Bangladesh, 96 advanced, 65 declined and 185 did not show any price movement.

In its daily market analysis, International Leasing Securities Ltd said the stock market reverted to the gaining streak after a price correction in the previous three sessions as the current price level of several stocks from different sectors attracted investors.

The market opened on a flying

note in the morning session that accelerated gradually and ended on positive territory. Following the previous session, optimistic investors were interested in the non-life insurance sector along with some oversold mid-cap stocks.

International Leasing Securities Ltd said the stock market reverted to the gaining streak after a price correction in the previous three sessions

Among the sectors, travel rose 5.4 per cent, IT was up 1.2 per cent, life insurance added 1.1 per cent and general insurance appreciated 0.7 per cent. Paper shed 0.5 per cent, tannery lost 0.5 per cent and jute was down 0.3 per cent.

Meghna Insurance Company made the highest gain with an increase of 10 per cent.

Paramount Insurance Company,

Islami Insurance Bangladesh, Trust Islami Life Insurance, and Sea Pearl Beach Resort & Spa were among the top gainers.

Brac Bank was the sharpest loser, shedding 7 per cent.

Eastern Cables, Heidelberg Cement Bangladesh, Al-Haj Textile Mills, and CVO Petrochemical Refinery were also on the list of significant losers.

Intraco Refueling Station was the most-traded stock on the day with its issues worth Tk 34 crore transacting.

Gemini Sea Food, Bangladesh Shipping Corporation, Sea Pearl Beach Resort & Spa, and Paramount Textile registered significant turnover as well.

The Caspi, the all-share price index of the Chittagong Stock Exchange, edged up 45 points, or 0.24 per cent, to close the day at 18,481.

Of the issues, 69 rose, 41 retreated and 87 did not see any price swing. Turnover on the bourse in the port city doubled to Tk 19.84 crore from Monday's Tk 8 crore.

Senior StanChart official visits Bangladesh

STAR BUSINESS DESK



Nick Huang, managing director and head of client coverage for Asia at Standard Chartered, recently came to Bangladesh in his first official visit to the country.

Nick took the time to meet and engage with the bank's clients and key stakeholders during his two-day visit, said a press release.

The aim of his visit was to get an on-the-ground look at one of the fastest growing markets in the world.

Throughout his visit, Nick explored how the bank is transforming the digital space, innovating in new arenas, accelerating sustainability and working to create better experiences for clients.

Nick joined Standard Chartered in March of 2023 as head of client coverage, Asia, corporate, commercial and institutional banking.

Based in Hong Kong, Nick plays a key leadership role in accelerating the bank's strategic priorities across the region.

With more than 34 years of experience in banking, Nick is a seasoned executive with broad experience across Asia and North America, and in managing corporate, commercial and financial institution businesses.

UK jobless rate rises

REUTERS, London

Britain's unemployment rate rose and there were other signs of less inflationary heat in the labour market in data published on Tuesday, prompting investors to scale back some of their bets on further Bank of England interest rate hikes.

The jobless rate edged up to 3.9 per cent in the three months to March, still low by historical standards but above the median forecast in a Reuters poll of economists for it to hold at 3.8 per cent.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAY 16, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	5.47 ↑
Coarse rice (kg)	Tk 46-Tk 50	-2.04 ↓	4.35 ↑
Loose flour (kg)	Tk 55-Tk 60	0	35.29 ↑
Lentil (kg)	Tk 90-Tk 100	-2.56 ↓	-11.63 ↓
Soybean (litre)	Tk 180-Tk 185	6.41 ↑	-2.14 ↓
Potato (kg)	Tk 35-Tk 40	29.31 ↑	87.5 ↑
Onion (kg)	Tk 65-Tk 70	92.86 ↑	58.82 ↑
Egg (4 pcs)	Tk 47-Tk 50	11.49 ↑	24.36 ↑

SOURCE: TCB



Prof AFM Mafizul Islam, vice-chancellor of Southeast University, and Md Ahsan-uz Zaman, managing director of Midland Bank, exchanged signed documents of a memorandum of understanding over corporate payroll package and cash management on the university campus in Tejgaon, Dhaka yesterday. Prof ANM Meshquat Uddin, adviser to the board of trustees (BoT) at the university, Maj Gen (retd) Kazi Fakhruddin Ahmed, registrar, Wing Commander (retd) Md Abdul Hafiz Sarker, chief coordinator of BoT, and Mohammad Javed Tarek Khan, head of institutional banking division of the bank, were present.

PHOTO: MIDLAND BANK



Ziaul Hasan Siddiqui, chairman of Sonali Exchange Company Incorporated (SECI), a subsidiary of Sonali Bank in the US, attended SECI's 29th annual general meeting of 2022 at its Manhattan office in New York on Monday. Md Afzal Karim, managing director of the bank, Md Ataur Rahaman, board member of SECI, and Debasree Mitra, chief executive officer of SECI, were present.

PHOTO: SONALI EXCHANGE COMPANY



Mohammed Arfadur Rahman Bunty, director of the governance board of Navana Group, receives an award from Yoichiro Yamazaki, president of Toyota Material Handling International (TMHI), at a 2022 TMHI Awards in Nagoya, Japan yesterday.

PHOTO: NAVANA GROUP

Navana wins '2022 TMHI Award'

STAR BUSINESS DESK

Navana Limited has won a "2022 TMHI Award" from Toyota Material Handling International (TMHI) for its Toyota forklift sales to various industries, including those in manufacturing, warehousing, logistics and construction, in 2022.

Mohammed Arfadur Rahman Bunty, director of the governance body of Navana Group, received the award from Yoichiro Yamazaki, president of TMHI, in Nagoya, Japan yesterday, said a press release.

Navana Limited is a distributor of TMHI in Bangladesh.



MA Rahim, vice-chairman of DBL Group, cuts a cake at DBL Ceramics' head office in Dhaka yesterday celebrating the ceramics company's 6th anniversary. Md Billal Hossain Patwary, executive director, finance of DBL Group, and Md Bayazed Bashar, head of operations of DBL Ceramics, along with officials of DBL Ceramics were present.

PHOTO: DBL GROUP

Mercantile Islami Ins' profit drops 25%

STAR BUSINESS REPORT

Mercantile Islami Insurance PLC saw an over 25 per cent year-on-year drop in profit in the January-March quarter of this year.

The local general insurance company made a profit of Tk 3.23 crore in the first three months of 2022, which came down to Tk 2.41 crore in the same period this year.

The company's net operating cash flow per share also experienced a massive 61.5 per cent year-on-year fall, as it hit Tk 0.2 in the Jan-Mar quarter of 2023, down from Tk 0.52 the same period previous year.

However, the insurer's net asset value rose by 2.79 per cent to Tk 21.36 as on March 31 this year from December 31 of last year's Tk 20.78.

The share price of Mercantile Islami Insurance PLC ended today at the Dhaka Stock Exchange at Tk 31.5, posting a 1.61 per cent rise from the previous day's Tk 31.



Fruits of the palmyra palm being taken to the Sonadanga wholesale kitchen market in Khulna. Each fruit contains three seeds which are fleshy and edible when ripe and refreshing during the hot summer months. Each seed sells anywhere from Tk 4 to Tk 6 at wholesale. 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 on the highway connecting Khulna's Dumuria and Satkhira last Saturday. PHOTO: HABIBUR RAHMAN

Muslin revival to face question if not made affordable

Textiles and jute minister tells seminar

STAR BUSINESS REPORT

If the process of producing muslin, revived through government research in 2021, cannot be commercialised, the success will be under question, said Textiles and Jute Minister Golam Dastagir Gazi yesterday.

The process is very complicated and laborious and the researchers went through a lot of adversity, he said.

It took about seven months to make a muslin sari of medium quality and so its price is very high, beyond the purchasing power of the masses, he said.

If the masses cannot purchase muslin, questions will arise. Therefore, through commercial production, muslin should be kept within the purchasing power of common people. Only then will the research be fully successful, he said.

If the private sector gets involved in the commercialisation of muslin, they will be able to produce products of various designs, he said.

The minister was addressing a

seminar on the revival and potential of investment organised by Bangladesh Handloom Board at Bangladesh Parjatan Corporation in the capital's Agargaon.

The lost muslin yarn technology used to churn out exceedingly delicate fabrics much coveted in the 17th and 18th centuries the world over was revived by an expert team of the government in 2021.

In the ancient and medieval period, muslin made by weavers of Dhaka became a status symbol for the rich and aristocrats. In 1747, muslin exports fetched Tk 28.5 lakh, found the researchers.

The Tk 12.1 crore revival project came into being after Prime Minister Sheikh Hasina asked to do so during a visit to the Ministry of Textiles and Jute in October 2014.

"The muslin we have made is 99 per cent similar to the cloth preserved in the UK's Victoria and Albert Museum and the National Museum in Bangladesh," said M Monzur Hossain, chief scientist of the project titled "Bangladesh's Golden Tradition Muslin Yarn Making Technology and Recovery of Muslin Fabrics (Phase I)".

It took about seven months to make a muslin sari of medium quality and so its price is very high, beyond the purchasing power of the masses

Golam Dastagir Gazi
Textiles and jute minister

A muslin sari with no designs can now be sold for Tk 6,15,840 while one with medium designs Tk 8,45,640, estimates Ayub Ali, project director and chief planning officer at Bangladesh Handloom Board.

One with heavy design will be Tk 11,50,740, he added. To increase its use, the price has to be

brought within the purchasing power of the masses, said State Minister for Planning Shamsul Alam.

The acquisition of muslin's geographical indication certificate and patent has created the possibility of sustainable development and expansion of the country's traditional handloom industry, said Foreign Secretary Masud Bin Momen.

Now to brighten the image of Bangladesh in the international arena, initiatives have to be taken to spread this achievement all over the world, he said.

Use of muslin cannot spread if it is not commercially viable, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

All kinds of cooperation will be given for the promotion of muslin products, he said.

If the use of a fabric is not diversified, it will not survive, said Bangladeshi fashion designer and former international model Bibi Russell.

Novoair offers 15% discount on fares

STAR BUSINESS REPORT

Novoair, a private airline in Bangladesh, has announced a 15 per cent discount on the ticket price for all routes.

To enjoy the offer, passengers have to purchase tickets from the Novoair pavilion at the Dhaka Travel Mart-2023, which is scheduled to kick off at the Pan Pacific Sonargaon Dhaka on May 18, the carrier said in a press release yesterday.

The tourism fair will continue until May 20. The 7-fleet carrier operates 19 flights daily, including 18 flights on domestic routes and one on the Dhaka-Kolkata route.

The airline said it would provide a free hotel stay for two nights in Cox's Bazar if passengers buy return tickets for two on the Cox's Bazar route. Passengers will have to travel by June 25.

Mes Bah-Ul Islam, head of marketing of Novoair, said the carrier transported 770,000 passengers in 2022.

It aims to carry more than 800,000 air travellers in 2023.

Islam said increased prices of aviation fuel in the domestic market, reduction in the flow of passengers on the Dhaka-Jashore and Dhaka-Barisal routes after the opening of Padma Bridge, and reduced purchasing capacity of general people for high inflation has affected demand for domestic air travel.

Yet he said, overall domestic air travel might increase this calendar year from a year ago.

Local carriers transported 50.5 lakh domestic travellers in 2022, which was slightly below the number of passengers carried in 2019, the year before the Covid-19 pandemic wreaked havoc on the aviation industry, according to data by Civil Aviation Authority of Bangladesh.

Niranjan becomes new MD of Rakub

STAR BUSINESS DESK

Rajshahi Krishi Unnayan Bank (Rakub) appointed a new managing director on May 10 this year.



The official, Niranjan Chandra Debnath, was previously serving in Sonali Bank Limited as deputy managing director, said a press release.

He started his career with BASIC Bank Limited in 1997 as an assistant manager and worked in different capacities.

He obtained his master's degree in accounting from the University of Chattogram and is a professional accountant and a certified management accountant.



Masud Khan, chairman of Unilever Consumer Care Ltd, virtually presides over the 50th annual general meeting of the company yesterday. KSM Minhaj, managing director of the company, Zaved Akhtar, Zinnia Tanzina Huq, SOM Rashedul Quayum, Md Abul Hossain, Mohsin Uddin Ahmed and Reazul Haque Chowdhury, directors, and Md Naharul Islam Molla, company secretary, along with company's statutory auditors, independent scrutiniser and a good number of shareholders attended the meeting. PHOTO: UNILEVER CONSUMER CARE

German investor mood darkens in May

AFP, Frankfurt, Germany

German investor confidence fell sharply in May, a key survey showed Tuesday, adding to fears of a downturn in Europe's biggest economy.

The ZEW institute's economic expectations index declined for the third month in a row, shedding 14.8 points to reach minus 10.7 points.

The reading was worse than analysts had expected, and marks the index's return to negative territory for the first time since December 2022. A negative reading means most investors are

pessimistic.

"The financial market experts anticipate a worsening of the already unfavourable economic situation in the next six months," ZEW president Achim Wambach said in a statement.

"The German economy could slip into a recession, albeit a mild one," he added.

The darkening mood was partly because investors were bracing for further interest rate hikes from the European Central Bank, he said, while a potential debt default by the United States "adds uncertainty to global economic prospects".

India cuts windfall tax on crude

REUTERS

India has cut windfall tax on petroleum crude to zero from 4,100 rupees (\$50.13) per tonne, effective May 16, according to a government notification.

It left the windfall tax on petrol, diesel and aviation turbine fuel (ATF) unchanged at zero.

On May 1, the levy on petroleum crude was lowered to 4,100 rupees per tonne from 6,400 rupees per tonne.

India last July had imposed the windfall tax on crude oil producers and extended the levy on exports of gasoline, diesel and ATF after private refiners wanted to make gains from robust refining margins in overseas markets.

Industrial slump leads

FROM PAGE B1

dropped 31 per cent and 6.68 per cent, respectively, compared to the same period a year ago.

The LC opening and settlement for importing capital machinery dropped 55.88 per cent and 14.93 per cent, respectively. This weighed on export earnings.

Shipments were up 5.38 per cent year-on-year to \$45.67 billion in the first 10 months of FY23. It surged 34.38 per cent to a record \$52.08 in the entire financial year of 2021-22.

The growth of the manufacturing sector is a key driver of Bangladesh's economy and it usually remains at double digit.

But Mansur thinks the actual growth in the sector may fall further at the end of the financial year.

The growth in the agricultural sector usually remains low until it sees any bumper harvesting.

While calculating the agriculture sector's contribution to the GDP, the BBS has taken into account the final output of Aush and Aman paddies, and jute in 2022-23. In the case of Boro, wheat and potato, the production figures of the previous year were considered.

Selim Raihan, executive director of the South Asian Network on Economic Modeling, said the economy was in a recovery process but it was impacted

because of the price hike globally after the war broke out.

"The supply chain faced disruption, the fuel price was hiked, and the cost of other inputs also went up. As a result, the cost of production rose, hurting the manufacturing sector."

In the current fiscal year so far, the price of diesel and furnace oil has climbed 36 per cent and 37 per cent, respectively. The electricity tariff is up 10.23 per cent.

"Big companies were impacted, but micro, cottage, small and medium enterprises bore the most brunt," said Raihan, also a professor of economics at the University of Dhaka.

The government has projected that the investment-to-GDP ratio would be 31.25 per cent in FY23, down from 32.05 per cent in FY22.

"This shows that the incremental capital-output ratio is now 5.20, which was 4.57 in the previous year. This means the productivity of the investment is becoming lower and the production cost of the manufacturing sector is rising," said Prof Raihan.

"If the ratio keeps rising, entrepreneurs will not feel encouraged to invest. As a result, the GDP growth would be impacted further," he said, urging the government to take steps to reduce costs.

A lower incremental capital-output ratio is preferred as it indicates a

country's production is more efficient.

The inability to import due to the forex shortage has affected capacity utilisation as well as capacity expansion, said Zahid Hussain.

"If we continue to believe that the exchange rate, monetary, fiscal and structural policy responses need no major correction, we will be ignoring the lessons from the data at our own peril. It's already late in making course corrections, but better late than never."

Prof Raihan emphasised taking corrective measures.

"It is a good sign that the government is accepting the reality and aligning the growth projection in line with the projections of development partners. It might be helpful in taking better strategy."

In April, the World Bank projected that the GDP growth rate of Bangladesh would be 5.2 per cent in FY23 and the Asian Development Bank's projection was 5.3 per cent.

The IMF has forecast a 5.5 per cent GDP growth.

LankaBangla

FROM PAGE B1

financial year, which was Tk 0.43 in 2022.

The filing said the EPS decreased due to the interest rate cap imposed by the regulator since the second half of 2022, the deteriorated asset quality owing to the aftermath of the Covid-19 pandemic, and less brokerage commission amid a lower turnover.

The consolidated net operating cash flow per share (NOCFPS) plummeted to Tk 0.22 negative from Tk 3.49 during the period while the consolidated net asset value per share (NAVPS) dipped to Tk 19.41 on March 31 this year from Tk 20.02 on December 31 last year.

The NOCFPS dropped as deposit settlements and other asset settlements resulted in higher cash outflows. The NAVPS fell due to the sales of shares of subsidiaries, the company added. LankaBangla Finance shares closed unchanged at Tk 26 on the DSE yesterday.

Tax return filing deadline

FROM PAGE B1

applied for additional time to comply with the rules.

"So, instead of giving time on a case-to-case basis, we have allowed time for the companies that sought time to file returns of their income for the year 2022-23," the official added.

"This is going to give them breathing space."

Companies account for roughly 60 per cent of the total income tax - the second biggest source of revenue - collected by the NBR each year.

During the last fiscal year, nearly 29,000 companies filed tax returns.

Around 19,000 companies filed tax returns for fiscal year 2022-23

until May this year.

The NBR official went on to say that companies will have to pay 2 per cent monthly interest on payable taxes for submission of returns after the usual deadline.

Hasan Mahmood, a director of the Metropolitan Chamber of Commerce and Industry, said the decision of time extension will be beneficial for companies that missed the deadline.

"They will get time to prepare their tax returns and submit. Otherwise, they would face a lot of penalty," added Mahmood, also a partner of MJ Abedin & Co, a chartered accountancy firm.



Visitors at the Bangladesh Denim Expo are seen checking items on display at a stall of the two-day event, which began at the International Convention City Bashundhara in Dhaka yesterday. Bangladesh has made significant strides in ensuring sustainable manufacturing, industry people say.

PHOTO: PALASH KHAN



Conquering change resistance

KAMRAN BAKR

Bangladesh is racing ahead towards becoming the world's ninth-largest consumer market by 2030. However, in today's hyper-dynamic world, deep change is inevitable for our educational and financial institutions as well as large conglomerates. Anticipating resistance, it is crucial to understand why people resist change and how to overcome it. Having led large-scale business transformations for three decades, I am sharing below my learning for the benefit of the upcoming business leaders.

Restoring trust and building genuine relationships is the first step. Show genuine concern for people's well-being, listen to their concerns and actively address them. Spend time with key individuals at the forefront of change to gain their confidence.

Honouring past efforts and achievements, while moving forward together to tackle new challenges is important. Help people understand that change is a natural progression - not a rejection of their hard work.

Involving everyone, especially those affected, in the decision-making process gives them a sense of control and ownership. Address personal concerns and highlight the benefits of change. Be transparent and keep communication lines open by creating a safe space to talk and seek inputs.

Abandoning familiar routines can be challenging. Break the process into smaller steps and provide ongoing training and support. Allow sufficient time for adaptation.

Worries about increased workloads can hinder progress. Streamline tasks preferably using technology, provide extra resources and reassure everyone that their efforts will be recognised and rewarded.

Fear of not being competent to handle the change or its aftermath can be detrimental. Boost the skills of individuals with training and toolkits. Reinforce their belief in their ability to adapt and succeed.

Provide heads-up about upcoming changes, explain the reasons behind them and help individuals prepare mentally and emotionally.

Uncertainty can be demoralising. Maintain open communication, clarify understanding and expectations and keep everyone informed.

Nurture enthusiasm for change by showcasing the successes of those who embrace it. To convert sceptics, seek inspiration by exposing people to environments amenable to change.

When faced with change, internal politics can arise. Counter this by focusing on a positive vision of the future like slaying the dragon and winning the princess (not only slaying the dragon). Spend time with your team, address their concerns, communicate changes clearly, build trust, and gain their confidence while keeping them focused on concrete actions to repel politics.

Highlight how this change is different from instances of past resistance or failures. Show the collective commitment of leaders via their actions rather than words and learn from the past to move forward together.

Pay attention to those feeling left out. Make time to build real connections, show respect and foster a sense of belonging.

Empower your team through autonomy and involvement in decision-making. Encourage them to find their own solutions and take ownership.

Generate excitement for change by involving employees who understand the challenges. Break down goals into achievable targets and celebrate milestones. Appreciate small wins and recognise efforts. Reward success to maintain a positive atmosphere and minimise resistance.

Ensure fairness and inclusivity. Involve everyone, clarify expectations and consistently recognise positive efforts. Foster trust through open dialogue. Be transparent and authentic, while being careful not to play favourites. Be cautious of self-serving change agents. Hold them accountable, gather peer feedback and ensure leaders lead by example.

Embracing and managing change is vital for Bangladesh's sustained success. By implementing these tactics in an integrated manner, you can overcome obstacles, conquer resistance and embrace a brighter future together.

The author is former chairman and managing director of Unilever Bangladesh Ltd

BD Finance's profit dips 75%

STAR BUSINESS REPORT

Bangladesh Finance Limited's profit slumped 75 per cent year-on-year to Tk 1.88 crore in the first quarter of the current financial year.

The profit stood at Tk 7.53 crore in the January-March quarter of 2021-22.

Consolidated earnings per share were Tk 0.10 in January-March of 2022-23 against Tk 0.40 in the same quarter of 2021-22, showed the unaudited financial statements of the non-bank financial institution.

The EPS decreased due to a fall in net interest income and lower income from investment in securities, said the NBF in a filing on the Dhaka Stock Exchange.

The consolidated net operating cash flow per share slipped to the negative territory to stand at Tk 1.83 in the quarter from a positive Tk 2.27 during the same period a year ago.

The NOCFPS declined because of net outflow of deposits, a decrease in interest income and the payment of income tax liabilities, said the filing.

The consolidated net asset value per share improved to Tk 17.51 on March 31 this year from Tk 17.41 on December 31.

Shares of BD Finance closed at Tk 44.10 on the DSE on Monday.

Share responsibility in ensuring sustainability

Denim makers urge international buyers; expo kicks off in Dhaka

REFAYET ULLAH MIRDHA

Water consumption for manufacturing denim fabrics has reduced significantly in Bangladesh as local producers now use highly efficient technology, according to market players.

However, international retailers and brands are not paying premium prices when sourcing denim apparel items from the country even though sustainable manufacturing is being ensured.

Denim mills currently use 10 litres of water for washing and dyeing each kilogramme of the fabric, down from more than 360 litres previously.

This means that if a pair of jeans costs \$5 to make, about 50 cents of that amount is spent on water for washing and dyeing purposes.

Still, buyers are not paying premium prices for sourcing denim apparel items from Bangladesh even though less of the valuable resource is being used, local garment makers said.

Traditionally, denim fabrics are handwashed after being dunked repeatedly in vats of dye and treated with chemicals to achieve the desired look, which is a process that requires huge amounts of water.

Now, most local denim makers use automated ozone and laser technologies to give the material their preferred appearance, helping save on water consumption.

The shift towards sustainable production of denim apparels is being propelled by the demand of western consumers, who want clothing made in line with environmental protection measures.

Tanvir Hossain, project manager of Jeanologia, said local textile millers were

previously unaware about the harms of using excessive water and chemicals for manufacturing their products.

But this has changed over time with Jeanologia, a supplier of eco-friendly textile machinery, having set up its laser finishing technology at 800 factories across the country.

He then said ongoing inflationary pressure in Europe stemming from Russia's invasion of Ukraine has affected his sales.

Denim mills currently use 10 litres of water for washing and dyeing each kilogramme of the fabric, down from more than 360 litres previously.

Hossain yesterday made these comments at the two-day Bangladesh Denim Expo, organised by Denim Expert Ltd, at the International Convention City Bashundhara in Dhaka.

More than 90 local and foreign participants are showcasing their latest garments, fabrics, threads, machinery, finishing equipment and accessories at the event.

Brant Tong, sales manager of Vietnam's XDD Textile, said business has been slow for them due to the recent inflation.

"We are struggling now," he added.

However, he believes the situation may change after six months, when the global economy rebounds from the current downturn brought on by crises in the western world.

Even so, Bangladesh remains a good market for XDD as the company has maintained annual sales growth of 30 to 40 per cent in the country.

"Bangladesh is a big market for my company," Tong said.

"Having so far sold about seven lakh yards of denim fabrics in the country, we are using less water for dyeing and washing thanks to modern technologies," he added.

Alice Tonello, managing director of Tonello of Italy, agreed that the garment business has slowed down in Europe due to high inflation amid the Russia-Ukraine war.

"Consumers have changed a lot after the Covid-19 pandemic as they now like to spend more on tourism and other experiences rather than garment items," she said.

Tonello, who mainly supplies washing and dyeing technologies, went on to say that local millers have indeed significantly reduced water consumption by using advanced machinery.

Syed Mohammad Tahmir, director of Pacific Jeans, said international retailers and brands are not paying premium prices despite having to spend extra on ensuring sustainable production.

Azizur Rahim Chowdhury, managing director of J M Fabrics Ltd, echoed the same.

"They are offering conventional prices despite the additional cost that comes with reductions in water consumption," Chowdhury said.

Mostafiz Uddin, managing director of Denim Expert Ltd, said ensuring proper prices for denim products should be a shared responsibility.

"Only the manufacturers should not bear the whole cost of sustainability," he added.

Russian oil exports hit post-invasion high: IEA

AFP, Paris

Russia's oil exports rose in April to the highest level since its invasion of Ukraine, boosting revenues by \$1.7 billion despite Western sanctions, the International Energy Agency said Tuesday.

The Paris-based organisation said Russian exports increased by 50,000 barrels per day to 8.3 million bpd last month, estimating that the country did not fully deliver on a threat to cut production sharply.

"Indeed, Russia may be boosting volumes to make up for lost revenue," the IEA said in its monthly oil market report.

The country's oil export revenues rose by \$1.7 billion to \$15 billion in April.

The figure, however, was 27 per cent lower than the same month in 2022. Russia's tax receipts from its oil and gas sector were down by 64 per cent year-on-year, the agency added.

The Group of Seven wealthy nations and Australia have set price caps on Russian petroleum products and crude in coordination with the European Union in an effort to cut a key source of funding for its war on Ukraine.

The EU has also imposed embargoes on the country's key oil exports.

In response, Russia has threatened to cut off countries and companies that comply with the price cap.

It has also announced a production cut of 500,000 barrels per day while its allies in the Opec+ group of oil producers, including Saudi Arabia, also agreed to slash output.



The photo shows an oil refinery on the south-eastern outskirts of Moscow. Russia's oil export revenues rose by \$1.7 billion to \$15 billion in April, the IEA said in its monthly oil market report.

PHOTO: AFP/FILE

Paramount Textile's profit more than doubles

STAR BUSINESS REPORT

Paramount Textile Limited posted a 104 per cent year-on-year increase in profit to Tk 31.59 crore in the third quarter of the current financial year.

The profit stood at Tk 15.47 crore in the identical January-March quarter of 2022-23.

Thus, the consolidated earnings per share of the textile manufacturer rose to Tk 1.94 in January-March from Tk 0.95 in 2021-22, according to the unaudited financial statements.

Its profit rose 51 per cent to Tk 96.39 crore in July-March of the ongoing financial year. It was Tk 63.83 crore in the same nine-month period of the previous financial year. So, the EPS jumped to Tk 5.92 from Tk 3.92 during the period.

Shares of Paramount Textile traded at Tk 77 on the Dhaka Stock Exchange yesterday, unchanged from a day earlier.