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Fumigation of US cotton not required

Senior commerce secretary says

STAR BUSINESS REPORT

Bangladesh has again demanded that garments made from US cotton be provided duty-free access to the American markets as the government has withdrawn a provision requiring fumigation of American cotton, Senior Commerce Secretary Tapan Kanti Ghosh said yesterday.

Bangladesh placed the demand in a meeting with senior officials of United States Trade Representative (USTR) at the secretary's office in the capital's commerce ministry yesterday.

The country demanded the same in the last meeting of the Trade and Investment Cooperation Forum Agreement (TICFA) in Washington in December last year, he said.

The next TICFA meeting may be held in Dhaka in September this year, Ghosh also said.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has also been demanding the same. It has already sent letters last month to different state governors and senators of the US.

The secretary shared the information at a press conference after yesterday's meeting.

The US government usually does not allow duty-free access to garment items imported from any country, Ghosh said.

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Fishing boats have started to return to the shores from the deep seas as the government's 65-day ban on catching fish kicked off on Saturday with a view to ensuring smooth breeding and conserving marine fish. The embargo will end on July 23. The photo was taken from the port city's Fishery Ghat area on Saturday.

PHOTO: RAJIB RATHAN



Be more cost-competitive to boost export to Japan: speakers

STAR BUSINESS REPORT

Bangladesh needs better cost competitiveness and less complexities in its taxation and foreign exchange policies to boost exports to Japan while also attracting more investment from the country, according to experts.

"The business environment in Bangladesh needs improvement to attract more foreign direct investment from Japan and explore the potential of an economic partnership agreement between the two countries," said Japanese Ambassador Iwama Kiminori.

Kiminori was speaking at a seminar, styled "Bangladesh-Japan Relationship: Trade and Investment", jointly organised by the Embassy of Japan in Dhaka and Centre for Policy Dialogue (CPD).

The event was held at the embassy's premises in the capital's Baridhara on May 16.

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Public expenditure stays at lower level

SOHEL PARVEZ

Bangladesh's public expenditure is not growing in keeping pace with the steadily expanding economy as it struggles to raise adequate revenues, thus failing to ensure full implementation of development programmes and provide expected services to its citizens.

The country's public expenditure was Tk 518,191 crore in the fiscal year of 2021-22, accounting for 13.05 per cent of the gross domestic product, a measure of final goods and services in an economy during a certain period of time.

During the current fiscal year, the government targets to spend Tk 678,064 crore, but it is unlikely to reach the goal amid a sluggish pace of execution of the Annual Development Programme (ADP). As a result, the development budget has been slashed from the original one.

Analysts say Bangladesh's public expenditure has been suffering from low implementation for years owing to a lack of the implementation capacity of government agencies and a lower-than-required revenue

collection, particularly by the National Board of Revenue (NBR).

Bangladesh ranked 137th among 143 economies in terms of public expenditure in 2021, according to the International Monetary Fund. Kiribati, an island nation in Oceania,

public services for its citizens.

"The size of the national budget needs to be enhanced," said AB Mirza Azizul Islam, a former finance adviser to a caretaker government.

"There are many sectors such as health, education, infrastructure and social

GDP ratio than Bangladesh although the former's per capita GDP is lower than the latter.

"Many people who have taxable income neither come under the tax net nor they are brought into the tax net," said the adviser.

Islam pointed out that there is a problem of competence among revenue officials and corruption is an issue as well.

"The main problem lies in the implementation of tax laws properly where the issues of competence and corruption come."

Mustafizur Rahman, a distinguished fellow at the CPD, said public expenditure is low in view of Bangladesh's development needs.

"The main drawback is resource mobilisation and implementation. We can't collect the required amount of tax and ensure quality spending. The implication of this is that citizens are getting inadequate public services."

"This also undermines private investment and affects economic growth and employment. The delay in implementation of public investments also contributes to inequality."

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had the highest public expenditure at 127 per cent while Bangladesh spent 12.97 per cent of its GDP.

Bangladesh's expenditure was lower than that of India and Pakistan, according to IMF data compiled by the Centre for Policy Dialogue (CPD), a local think-tank.

Analysts say an increase in public expenditure or national budget – both development and operational – is necessary for the government to expand

protection where public investments have to be increased as the private sector will not come here."

But at the same time, he said, the budget deficit should be kept within 6 per cent of the GDP.

One of the barriers to increasing public expenditure is low revenue collection in comparison to the size of the economy estimated at \$453 billion in 2022-23.

Nepal has a higher revenue-

Unfounded radiation fears stymie mobile network expansion: experts

MAHMUDUL HASAN

Scientifically unfounded apprehensions of health risks from radio waves of phone masts have turned into a major impediment to the delivery of better services from telecom and tower service providers.

Building owners, especially in Dhaka and other metropolitan areas, are reluctant to lease out their roofs to the service providers as they fear that their close proximity with the antenna will expose them to more radiation, said the industry people.

Mobile network towers make use of radiofrequency electromagnetic fields (EMF), a type of non-ionising electromagnetic radiation that does not have enough energy to damage DNA and cannot directly cause cancer.

One of the few known effects of radio waves on the human body is a very small rise in temperature of up to 0.2 degree Celsius. But research is still continuing to make sure that there are no potential long-term effects.

"The degree of radiation a tower emits will not cause any problem," said Satya Prasad Majumder, vice-chancellor of the Bangladesh University of Engineering



and Technology.

"You can't read without light and similarly too much light would harm the eye. A minimum level of radiation is given off the antenna and is designed taking all safety concerns into account so that people can talk on phones without facing any problem from that," he said.

"People who are concerned about it don't know anything about it. They got panicked when the world introduced 1G

or 2G and they are still in panic but the world is poised to introduce 6G. If they were right, technology would not have advanced," he said.

According to Majumder, the building or infrastructure that houses a mobile network tower is likely to be less exposed to the radiation.

"Torch light enables us to see the object where we point it. Similarly, antenna is directed to the far areas," he said.

X-rays, gamma rays, and ultraviolet rays, as ionizing radiation, can cause harm to the human body, not radio wave and microwaves, said Dr Shamsuzzoha, deputy director of Bangladesh Telecommunication Regulatory Commission (BTRC).

The rolling out of towers for network expansion has been a challenge for operators and voice and internet services have been compromised, said officials of the operators and regulator.

On many occasions the operators' staff faced backlash from resident welfare associations or building communities while installing towers, according to industry people.

The operators said they found it extremely difficult to get the greenlight to install infrastructure, even from government entities.

For example, a BTRC officials said they were finding it difficult to get approval from government agencies in letting the operators install network infrastructure at its new office in the capital's Agargaon, which was scheduled to open next month.

The problems with installing towers in government buildings arise from Public Works Department and other entities,

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Nagad's loss piles up to Tk 625cr

STAR BUSINESS REPORT

Nagad Ltd, the operator of the mobile financial service of the Bangladesh Post Office, saw its accumulated loss rise to Tk 625 crore at the end of the financial year of 2022.

The financial data was shared in the draft information of the memorandum of a bond that the company plans to issue.



Nagad has been incurring losses since its inception in March 2019 and the accumulated loss has piled up.

In the last fiscal year of 2021-2022, the company's net revenue soared 49 per cent year-on-year to Tk 517 crore, while its loss surged 40 per cent to Tk 262 crore.

The widening losses have prompted Nagad to decide to raise Tk 510 crore by issuing a zero-coupon bond from eligible investors.

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

The unsecured bond's tenure would be five years, and it would be non-convertible.

Of the bond proceeds, Nagad would repay loans

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Buy local yarn Spinners urge knitters

STAR BUSINESS REPORT

The Bangladesh Textile Mills Association (BTMA) has urged knitwear exporters to purchase locally made yarn to reduce stockpiling of the material at spinning mills in the country.

Mohammad Ali Khokon, president of the BTMA, made this request through a letter to Mohammad Hatem, executive president

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| STOCKS | |
|----------|-----------|
| DSEX ▼ | CASPI ▼ |
| 0.14% | 0.05% |
| 6,281.29 | 18,519.47 |

| COMMODITIES | | AS OF FRIDAY |
|-------------|--------------|--------------|
| Gold ▲ | Oil ▼ | |
| \$1,977.87 | \$71.60 | |
| (per ounce) | (per barrel) | |

| ASIAN MARKETS | | | | FRIDAY CLOSINGS |
|---------------|-----------|-----------|----------|-----------------|
| MUMBAI | TOKYO | SINGAPORE | SHANGHAI | |
| ▲ 0.48% | ▲ 0.77% | ▲ 0.63% | ▼ 0.42% | |
| 61,729.68 | 30,808.35 | 3,202.59 | 3,283.54 | |