

Pubali Bank, Small World enter into remittance deal

STAR BUSINESS DESK

Pubali Bank Limited has signed a remittance collection agreement with Small World Financial Services that provides money transfer services worldwide.

Khalid Fellahi, Group CEO of Small World Financial Services, and Nishat Maisura Rahman, general manager and division head of international division of Pubali Bank, inked the deal at the bank's head office in Dhaka yesterday, said a press release.

The agreement aims to deliver remittances sent by expatriate Bangladeshis living in 170 countries around the world, including Europe, in the shortest possible time.

Among others, Stanley Wachs, managing director of Northern Europe, Africa and Asia of Small World Financial Services, Mohammad Ali, managing director and CEO of the bank, Mohammad Shahadat Hossain, deputy managing director, and Khalid Fellahi, group CEO of Small World Financial Services, were present.



Mohammad Ali, managing director of Pubali Bank, and Khalid Fellahi, Group CEO of Small World Financial Services, exchanged signed documents of an agreement on remittance collection at the bank's head office in Dhaka yesterday. PHOTO: PUBALI BANK

Singer launches Primax Series 4K LED TV

STAR BUSINESS DESK

Singer Bangladesh has launched Primax, a top-of-the-line 4K LED TV series, loaded with premium technologies.

Primax Series TVs are available in three sizes – 43 inches, 50 inches and 55 inches – at authorised Singer dealers with a three-year warranty, a six-month replacement guarantee, and free installation, said a press release.

Primax Series Singer TV is Google-authorised Android TV, which has used the latest official Android operating system and certified Netflix app. Dual-band Wi-Fi and BT 5.0 features are also added to ensure fast streaming.

Primax Series TVs have in-built Chromecast so that users can easily enjoy all of their favourite programmes. It also has dust, thunder and high voltage and humidity protection features so that the TV is not damaged.

MHM Fairoz, managing director and CEO of Singer Bangladesh, inaugurated the new product at an event at the Radisson Blu Dhaka Water Garden in the capital.

"We are introducing the Primax Series so that viewers can enjoy the prime technologies with maximum entertainment."

Chandana Samarasinghe, marketing director of the company, Kazi Rafiqul Islam, sales director, and Arefin Shuvo, an actor, were present.



Sohail RK Hussain, managing director of Meghna Bank, cuts a ribbon to inaugurate the Pagla branch of the bank at Zakir Super Market in Pagla, Narayanganj recently. Among others, Kimiwa Saddat and Md Sadiqur Rahman, deputy managing directors of the bank, Morshed Sarwar Sohel, managing director of RS Group, and Kashem Jamal, managing director of Jamal & Company, were present. PHOTO: MEGHNA BANK



Azharul Islam, chairman of Uttara Bank, virtually presided over its 40th annual general meeting recently. The meeting declared 14 per cent stock and 14 per cent cash dividends for 2022. Iftekarul Islam, vice-chairman of the bank, Mohammed Rabiul Hossain, managing director, and other directors attended the meeting. PHOTO: UTTARA BANK

Green Delta Dragon mutual fund gets nod

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission has given go-ahead to the open-ended mutual fund named Green Delta Dragon Enhanced Blue Chip Growth Fund worth Tk 50 crore.

Of the fund, Green Delta Insurance and Dragon Capital Markets jointly provided Tk 5 crore and the rest is open for sell for the general investors.

Price of each unit of the fund is Tk 10. The approval for the mutual fund came from the BSEC's meeting held in its head office in the capital yesterday.

The Green Delta Dragon Asset Management Company will be the manager of the fund while Bangladesh General Insurance Company and Brac Bank will be its trustee and custodian respectively.

UCB signs deal with Small World

STAR BUSINESS DESK

United Commercial Bank yesterday signed a remittance service agreement with Small World Financial Services Group Ltd.

Arif Quadri, managing director and CEO of the bank, and Khalid Fellahi, Group CEO of Small World, signed the remittance service deal at the bank's head office in Dhaka, according to a press release.

Small World, a cross-border payment service provider, will enable over 3 million customers to make payments online or via a physical network of more than 250,000 locations, 10,000 agents and 80 stores across 196 countries.

Now, Bangladeshi expatriates living in 196 countries across the world can safely and easily send money through Small World to their loved ones in Bangladesh, it said.

Stanley Wachs, managing director for Northern Europe, Africa and Asia of Small World, Mohammed Atiqur Rahman, corridor ambassador for Bangladesh, and Syed Faridul Islam and Abul Alam Ferdous, additional managing directors of the bank, and ATM Tahmiduzzaman, deputy managing director, were present.

| PRICES OF KEY ESSENTIALS IN DHAKA CITY | | | |
|--|----------------------|----------------------------|--------------------------|
| | PRICE (MAY 23, 2023) | % CHANGES FROM A MONTH AGO | % CHANGE FROM A YEAR AGO |
| Fine rice (kg) | Tk 60-Tk 75 | 0 | 7.14 ↑ |
| Coarse rice (kg) | Tk 48-Tk 50 | 3.16 ↑ | 5.38 ↑ |
| Loose flour (kg) | Tk 55-Tk 60 | 1.77 ↑ | 27.78 ↑ |
| Lentil (kg) | Tk 90-Tk 100 | -2.56 ↓ | -13.64 ↓ |
| Soybean (litre) | Tk 175-Tk 185 | 4.96 ↑ | -3.23 ↓ |
| Potato (kg) | Tk 40-Tk 42 | 41.38 ↑ | 90.7 ↑ |
| Onion (kg) | Tk 70-Tk 75 | 107.14 ↑ | 70.59 ↑ |
| Egg (4 pcs) | Tk 45-Tk 50 | 9.2 ↑ | 17.28 ↑ |

SOURCE: TCB

Indian economy sustaining recent growth momentum

RBI says inflation is also slowing

REUTERS, Mumbai

India's economy has sustained the growth momentum seen in the last fiscal quarter of 2022/23, while latest inflation outcome has been better than forecast, the Reserve Bank of India said on Monday.

Growth in the first quarter of 2023/24 is expected to be driven by private consumption, a revival in rural demand and renewed buoyancy in manufacturing on easing of input cost pressures, the central bank said in its "State of the Economy" report, published as part of its monthly bulletin.

"Investment activity is also expected to improve, drawing

strength from the thrust on capital expenditure in public spending and moderation in commodity prices," it added.

India's services exports rose 13.1 per cent on year to \$30.48 billion in March, provisional RBI data showed in early May. April services exports as per provisional government data rose to \$30.36 billion.

The RBI said if services exports maintain their recent high momentum, the drag from net external demand should moderate through April-June 2023.

"Domestic service sector activity will continue to be led by the rebound in contact-intensive services and the resilience in

construction activity," it added.

Based on partial data available for April 2023 and assuming an implied GDP growth of 5.1 per cent for Q4 of 2022/23, the economic activity index now casts GDP growth for Q1 2023/24 at 7.6 per cent, RBI said.

India's annual retail inflation eased to 4.7 per cent in April from 5.66 per cent the previous month, data earlier this month showed.

The RBI said the inflation momentum is turning out to be softer than anticipated on account of a fall in wheat prices, the fifth consecutive monthly decline in prices of oils and fats and the third consecutive monthly decline in the prices of eggs.

Indonesia, Iran ink trade pact

AFP, Jakarta

Indonesia and Iran signed a trade agreement on Tuesday in Jakarta, where President Joko Widodo hosted his Iranian counterpart Ebrahim Raisi.

Tehran is aiming to boost its international trade ties to try and offset the economic impact of heavy Western and international sanctions.

Raisi's two-day visit to Indonesia, Southeast Asia's biggest economy, comes in the shadow of fresh European Union sanctions this week on Iran's Revolutionary Guard.

"We believe that sanctions and threats cannot stop us in any way," the Iranian president said Tuesday after a signing ceremony at the Bogor Palace for a total of 10 agreements, including trade.

"Cooperation and relations with neighbouring countries, Muslim countries, and countries that are aligned with us in various fields is our priority."

Under the pact, Iran will provide easier access for Indonesian exports including vegetable oil, cocoa, coffee and tobacco, according to the Indonesian trade ministry.

In return, Jakarta would lower tariffs on Iranian exports to Indonesia, including oil and its derivative products, minerals, chemicals and iron.

"I hope (the agreement) will expand the trade between Indonesia and Iran," Indonesian President Joko Widodo said at the signing ceremony.

Raisi said the goal was to raise the value of two-way trade between Indonesia and Iran to \$20 billion.

In 2022, the total trade value between the two was just over \$250 million.

Raisi's trip -- his first official visit to Indonesia -- comes in the shadow of fresh Western penalties on Tehran.

Fiscal policy goals

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As inflation was already rising, controlling it was mentioned as a top priority. The main strategy for the purpose was mentioned as increasing supply while reducing growth in demand. The targets for GDP growth and inflation rate were 7.5 per cent and 5.6 per cent, respectively.

"As for fiscal instruments, the shame of having one of the lowest tax-GDP ratios in the world continues," Islam said.

"One also notices continued reliance on indirect taxes (accounting for two thirds of tax revenue), which are by nature regressive."

During the first seven months of the current fiscal year, income tax registered the lowest growth. Moreover, the direct tax GDP ratio declined over the long term.

Islam said fiscal reforms must include steps to widen the tax net.

His suggestion comes as although 4 crore people are regarded as capable of paying taxes, only 40 lakh are enlisted and 60 per cent of them submit returns.

"While the share of income tax in total tax revenue must rise, it is high time to consider other direct taxes like wealth and inheritance taxes," he said.

He called for bringing down exemptions to the bare minimum and plugging loopholes.

"These steps are needed to improve the governance of tax administration and reduce corruption."

According to Islam, the allocation for social protection, a sector that should have received high priority, has stagnated, and the effectiveness of the programmes is also questionable.

One piece of good news is that of one crore TCB "family cards" -- which opened up the possibility of covering nearly 20 per cent of the households.

"If the programme could be implemented without political interference and covered the bottom 20 per cent of the population, it would be helpful."

However, media reports of "running after TCB trucks" raise question marks, the economist pointed out.

In the current circumstances, in addition to the poor, the non-poor low-income groups also need support, he said.

The former ILO official thinks standard monetary policy instruments can be effective in fighting inflation when it is demand-driven. Even in such circumstances, success can't be guaranteed, as is demonstrated by the current experiences of some developed countries like the UK.

"So, in order to fight inflation, the government should go for a combination of different policy instruments."

On the supply side, there should be measures like smooth and timely import of key items, reduction in duties on such imports, stricter vigilance on the supply chain and action without political consideration, and removing bottlenecks on domestic production and marketing.

"But keeping interest rates fixed is not a good policy anyway."

He recommended withdrawing the fixed interest rate so that savings can be encouraged, the capital market may become more efficient, and borrowers of all classes have easy access to credit.

Foreign exchange reserves depend crucially on exports and remittances. In order to bring back normalcy in these two areas, Islam thinks the government would have to ensure that the exchange rate reflects the real value of the domestic currency, unify the exchange rate, and give it stability.

Once the difference between the informal and official exchange rates go back to Tk 2 to Tk 3 per USD, remittances through hundi will also go down to previous normal levels, he said, calling for tightening regulations and oversight to bring back the export proceeds in full and on time.

In sum, an integrated approach should be adopted when it comes to fighting higher inflation, stabilising the exchange rate and protecting the poor. The fiscal, monetary and exchange rate policies should be allowed to work in tandem, the former ILO official added.



Heavy machineries are seen installed at the construction site of the Mumbai-Ahmedabad high-speed rail corridor across Sabarmati river in Ahmedabad on May 18. PHOTO: AFP