#### DHAKA FRIDAY MAY 26, 2023, JAISHTHA 12, 1430 BS @ starbusiness@thedailystar.net

# 



# Why insurance stocks surging in a dull market

#### AHSAN HABIB

Shares of most of the insurance companies rose almost every day in the last one month, becoming an outlier in a market that has been dull for several months due largely to persisting economic uncertainty at home and abroad.

Of the 57 insurers listed on the Dhaka Stock Exchange (DSE), 53 have seen a spike, three have remained stuck at the floor price, and one has fallen slightly.

This upward trend of the sector comes after the regulator proposed making insurance mandatory for all types of vehicles, pulling investors to the stocks of general insurance companies since the move is expected to bring about positive impact for them, said a top official of a brokerage firm, preferring anonymity.

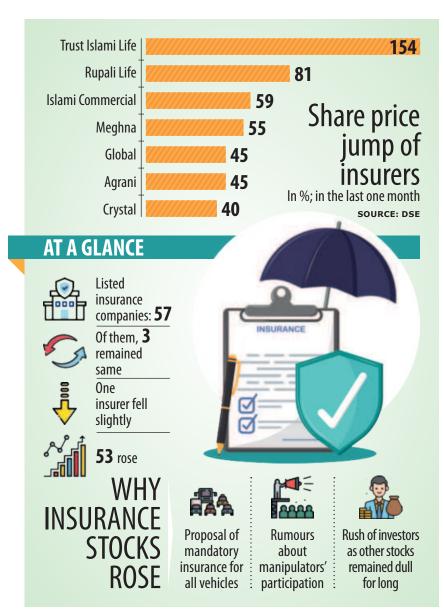
On March 1, Prime Minister Sheikh Hasina gave directives to ensure that no uninsured vehicles ply the streets. And the Insurance Development and Regulatory Authority (Idra) has sent a proposal to the finance ministry to take the initiative to amend the Road Transport Act 2018.

The Financial Institutions Division of the finance ministry has prepared a summary to this effect for the Prime Minister's Office for consideration.

According to the proposal of the insurance regulator, vehicle owners will face a fine of up to Tk 3,000 if not insured.

Insurance was once mandatory for all vehicles, including motorbikes, cars, buses, and trucks. The law was repealed in 2018, although road crashes are common and at least 7,713 people were killed in road accidents in 2022, according to the Road Safety Foundation.

The government's policy aimed at making insurance mandatory will lead to a higher income for general insurance companies. **READ MORE ON B3** 



# Tax return filing crosses 30 lakh for first time

#### SOHEL PARVEZ

The number of people who filed tax returns in fiscal year 2022-23 has crossed 30 lakh for the first time.

Credit lies in the tax authority's increased efforts to expand the tax net through various policy measures and rising awareness among taxpayers.

Until April this fiscal year, the National Board of Revenue (NBR) received 31.7 lakh tax returns from taxpayers, mainly individuals, which was 22 per cent higher from that filed in fiscal year 2021-22.

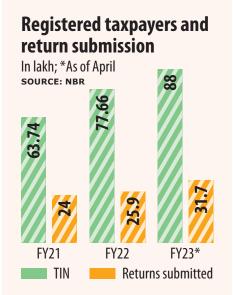
The latest growth is the highest in five years, with taxmen linking the surge to the introduction of a new rule requiring people to file their income, expenditure and wealth statements to avail 38 types of services.

Among others, people have to furnish proof of submission of returns (PSRs) or acknowledgement receipts of return filing to avail loans of over Tk 500,000 from a bank or financial institution.

The proof is also necessary for obtaining or maintaining a credit card, opening postal savings accounts exceeding Tk 500,000 or purchasing state sponsored savings instruments, known as "sanchaypatra" in Bangla, of over Tk 500,000.

People who open and continue using bank accounts of any sort with a credit balance of over Tk 10 lakh also needed to submit tax returns and submit acknowledgement receipts or tax certificates, among others.

"The requirement of the PSR has driven the growth of tax returns," said a senior



NBR official, expecting that overall return may grow to 35 lakh at the end of this fiscal year, meaning June 30.

Awareness rose among people because of tax fairs held annually, contributing to the steady growth of tax return and compliance, said taxmen.

Policy measures also contributed, such as introduction of rules making it mandatory to avail taxpayer identification number for public and private sector employees, who earn Tk 16,000 or more, they said.

READ MORE ON B3



No bank will survive without investing in digital banking Selim RF Hussain says

# 67% SMEs, rural homes still rely on microcredit: study

#### STAR BUSINESS REPORT

Almost two-thirds of rural interest rate of around 23 per households and cottage, cent to 24 per cent or above, it micro and small firms in a said. Those who availed loans survey were found to be mostly dependent on microcredit to avoid hassles of availing managing collateral, it said. conventional bank loans.

They prefer the microcredit even though the interest rate goes up by almost threefold to reach 24 per cent, said the conducted among survev 1.000 households and 400 enterprises across the country. Of the respondents, 37.5 per cent had taken loans and of them, around 67 per cent were from microcredit institutions while the rest from conventional banks. The survey was conducted by the Policy Research Institute of Bangladesh (PRI), which revealed the preliminary analysis at its training programme in Dhaka yesterday. Nowadays formal financial institutions such as banks, non-bank financial institutions (NBFIs) and some mobile financial service (MFS) providers are providing loans at much lower interest rates, said the analysis.

taking loans at a very high rural economy," he said.

The survey also found that around 91 per cent of the entrepreneur respondents were mostly unable to meet had to start their businesses with personal or family criteria of banks, including savings, or by borrowing from



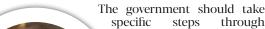
However, rural people are potential for growth in the executive director of the PRI, at the event.

"In light of this, the agent banking model has emerged as a vital solution, offering costefficient financial services to underbanked communities across the country," he said.

Mansur highlighted the success of agent banking, emphasising its presence in rural areas where agents, who are community members, build trust with customers.

Currently, the model has reached an impressive 16.5





#### STAR BUSINESS REPORT

Banks that are not investing funds to improve their digital banking platform will not be found in Bangladesh after 5-7 years, according to Selim RF Hussain, chairman of the Association of Bankers, Bangladesh (ABB).

Local banks will become obsolete if they fail to invest in the improvement of their technology-based banking, he said yesterday.

Hussain came up with these remarks at a press briefing on the sidelines of a two-day summit, titled "Banking on Digital Transformation", organised by the ABB at Pan Pacific Sonargaon Dhaka.

READ MORE ON B2

digital financial services replace microcredit financial sources. to institutions as a source of financing in the rural economy, said Bazlul Haque Khondker, director of the PRI. There is a need for

financing the rural cottage, micro and small firms for a their business expansion and sustainability, he said. "If MFS and formal microcredit

financial sources can meet are charging high interest

There is a potential for friends or family, without any financial support from formal

Around 82 per cent of the respondents stated that they required additional financial support for future growth, read the survey.

Access to finance remains significant constraint sustained development to in these regions as the institutions

that demand, there is a huge rates, said Ahsan H Mansur,

million clients, a testament to its effectiveness in providing financial services to previously underserved regions, he said.

"During the pandemic, when traditional banks faced limitations, agent banking outlets played a crucial role in maintaining banking operations," he said.

Mansur also saw challenges for agent banking in the medium to long term. Only those which will be able to compete and adapt with new technologies will be able to survive, he said.

Zaidi Sattar, chairman of the PRI, delivered the welcome remarks.



Exim Bank Ltd's board has approved a proposal to issue a Tk 600 crore mudaraba subordinated bond.

In a filing on the Dhaka Stock Exchange yesterday, the Shariah-compliant bank said the board has accorded its approval for the issuance of Mudaraba Subordinated Bond (5th Issue) as a process of inclusion in Tier-II capital as "subordinated debt", for a period of seven years through private placement.

Subordinated debt is an unsecured loan or bond that ranks below other, more senior loans or securities with respect to claims on assets or earnings.

Md Monirul Islam, company secretary of Exim Bank, said the company is raising the fund to meet requirements under the Basel-III.

the upcoming national budget for 2022-23 to roll out a universal pension scheme, said an economist.

In January, the parliament passed Pension Universal Management Bill-2022 with a view to bringing the country's growing elderly population under a social

security system.

"The plan is still on paper. We have yet to see any execution," Bazlul Haque Khondker, a former professor of the University of Dhaka, told The Daily Star in an interview on Wednesday. The scheme, later renamed as "National

Pension Management Act-2023", is expected to allow the elderly population to better cope with fallouts of unemployment, disease, disability, oldage complications or extreme poverty.

READ MORE ON B3







ASIAN MARKETS					
MUMBAI	ТОКҮО	SINGAPORE	SHANGHAI		
0.16% 61,872.62	0.39% 30,801.13	• 0.2% 3,207.72	• 0.11% 3,201.26		



A worker unloads jute arriving on a boat from villages for storage in a warehouse by the Sandhya river in Shikarpur area of Barishal's Wazirpur upazila. Working from 8:00am to 5:00pm earns them anywhere from Tk 400 to Tk 500. The photo was taken recently. PHOTO: TITU DAS

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# Fed economists still expect mild recession

#### AFP, Washington

US Federal Reserve economists still expected a "mild recession" at the most recent interest-rate meeting earlier this month, according to minutes of the meeting published Wednesday.

The Fed voted to raise interest rates for a 10th consecutive time following the most recent meetings on May 2-3 in order to tackle high inflation, which remains stubbornly above its long-term target of two per cent.

The economic forecast prepared by Fed staff ahead of the meeting continued to assume tight financial conditions "would lead to a mild recession starting later this year, followed by a moderately paced recovery," the minutes showed.

"Real GDP was projected to decelerate over the next two quarters before declining modestly in both the fourth quarter of this year and the first quarter of next year," according to the Fed.

All 11 voting members of the Federal Open Market Committee (FOMC) were in favor of lifting the Fed's benchmark lending rate by 25 basis points to between 5.0-5.25 per cent, although there was disagreement about what to do next.

"Some participants commented that, based on their expectations that progress in returning inflation to 2 per cent could continue to be unacceptably slow, additional policy firming would likely be warranted at future meetings," the minutes showed.



Mohammad Ali, managing director of Pubali Bank, NM Firoz Kamal, deputy general manager and head of card business, Tan Kean Hin, director of marketing at Mahkota Medical Centre, and SM Altaf Hossain, chairman of Zen Health 360, attended the MoU signing ceremony in Dhaka recently. PHOTO: PUBALI BANK

## Pubali Bank signs MoU with Malaysia's Mahkota Medical Centre

#### STAR BUSINESS DESK

Pubali Bank Limited and Malaysia-based Mahkota Medical Centre have signed a Under this MoU, the bank's Mahkota Medical Centre have signed a memorandum of understanding (MoU) over medical services.

NM Firoz Kamal, deputy general manager and head of card business Kean Hin, director of marketing at medical centre in Malaysia.

Mahkota Medical Centre, signed the MoU at the bank's head office in

cardholders will enjoy upto 20 per cent discount on all hospital expenses, medical check-up, aesthetic and laser treatment along division of Pubali Bank, and Tan with other medical facilities at this

Mohammad Ali, managing director and CEO of the bank, Mohammad Anisuzzaman, deputy managing director, and M d Rabiul Alam, deputy general manager and head of alternative delivery channel (ADC) delivery channel (ADC) division, SM Altaf Hossain, chairman of Zen Health 360, and senior officials from both the organisations were present.

# Daraz partners with Visa to introduce cobranded card

**BUSINESS** 

#### STAR BUSINESS DESK

Online shopping platform Daraz and global digital payment leader Visa jointly launched a co-branded card on Tuesday to make the online shopping experience easier and more enjoyable for customers.

Both Daraz and Visa signed a partnership agreement to this end, said a press release.

Under this offer, users of the online shopping platform will enjoy attractive discounts, cashback offers and rewards on credit and prepaid card purchases along with payment security.

The card will soon be available for the customers in partnership with Daraz, said Visa and an authorised card issuer bank.

"This co-branded card will redefine how our customers shop online, offering exclusive benefits and a seamless payment experience. We are excited to embark on this journey together," said Syed Mostahidal Hoq, managing director of Daraz Bangladesh.

"The cards, available in physical and digital forms, come with enhanced rewards and great benefits. With value additions like co-branded cards, merchants have the opportunity to build customer loyalty and stickiness, which in turn helps them expand revenue streams and grow their business," said Soumya Basu, country manager of Visa Bangladesh, Nepal and Bhutan.



Planning Minister MA Mannan posed for photographs with winners, guests and organisers of the "Kotler Awards 2023" at the "Modern Marketing Conclave-2023" organised jointly by Kotler Impact and Northern Education Group at the Dhaka Sheraton on Monday. Prof Philip Kotler virtually joined the event, where Prof Abu Yousuf Md Abdullah, president of Northern Education Group, Mashiur Rahman, economic affairs adviser to the prime minister, Fahim Kibria, chief marketing officer of Kotler Impact, and Prof Anwar Hossain, vice-chancellor of Northern University Bangladesh, were present. PHOTO: NORTHERN EDUCATION GROUP



Farman R Chowdhury, managing director of Al-Arafah Islami Bank, cuts a ribbon to inaugurate a hajj booth of the bank at Ashkona Hajj Camp in Uttara, Dhaka recently. Among others, Md Shafigur Rahman, Md Mahmudur Rahman, Md Abdullah Al Mamun and Md Fazlur Rahman Chowdhury, deputy managing directors, Md Mujibul Kader, Md Edris Ali and Mohammad Habib Ullah, senior executive vice-presidents, and Jalal Ahmed, senior vice-president, were present. PHOTO: AL-ARAFAH ISLAMI BANK

PRICES OF KEY ESSENTIALS IN DHAKA CITY									
	PRICE (MAY 24, 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 <b>†</b> 1.77 <b>†</b>	5.38 <b>†</b> 27.78 <b>†</b>						
Loose flour (kg)	Tk 55-Tk 60								
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	49.09 🕇	90.7 🕇						
Onion (kg)	Tk 70-Tk 75	70.59 🕇	70.59 🕇						
Egg (4 pcs)	Tk 47-Tk 50	11.49 🔶	19.75 🔶						
SOURCE: TCB									

# Dollar hits 2-month high

#### **REUTERS**, Tokyo

The dollar pushed to a two-month high against the euro and a six-month peak

## No bank will survive

FROM PAGE B1 Along with the improvement of technology-based banking, a skilled workforce that will be able to run digital banking in an efficient manner is also important, he said.

Technology will also help banking platforms, which is

The expatriate Bangladeshis but the thought is not right as will be able to send their money through the apps on a real-time basis while sitting abroad.

If banks cannot increase their profitability, they will be unable Hussain added. to invest in strengthening digital

many aged people are now using our (Brac Bank) app," he said. If anyone helps the senior citizens, they can easily do it,

He then said that the use of smartphones is now on the rise in

#### Exim Bank to issue "Hopefully, we will continue to do

FROM PAGE B1 The Basel III is an international regulatory accord that introduced a set of reforms designed to improve the regulation, supervision, and risk management of the banking sector.

"Now, the board has decided to launch the bond," Islam said. The bank would have to se

Thanks to the higher profit, the

2021

ersus the ven on Thursday, as a resilient US economy led traders to pare their bets on rate cuts this year.

The greenback has also benefited from demand for safe havens, paradoxically as a US debt ceiling impasse threatens a disastrous default as soon as June 1, when the Treasury has warned it would be unable to pay all its bills.

mobilise remittances from abroad to a large extent and the central contained. bank is also now encouraging banks

in this regard, Hussain added. Many lenders will create mobile banking apps to mobilise remittances, which will help remitters send their hard-earned money through the platform.

why default loans will have to be

Hussain, also managing director of Brac Bank, went on to say that digital literacy is important to make technology-based banking popular.

"Many people think that senior citizens cannot use banking apps,

Bangladesh, which will help digital banking grow at a faster pace as well.

Hussain also said the price of the internet should be decreased. Many foreign professionals and bankers took part in the summit, which helps local banks learn from them. he added.

approvals from the Bangladesh Bank and the Bangladesh Securities and Exchange Commission before issuing the security.

Speaking about the bank's liquidity situation, Islam said Exim Bank has passed good times in recent months despite the persisting dollar crisis.

company declared a 10 per cent cash dividend for its shareholders.

good business in the coming periods.'

than 72 per cent year-on-year to Tk

372.02 crore in the last financial year

that ended on December 31, 2022.

The profit stood at Tk 215.69 crore in

Exim Bank's profit surged more

The bank's paid-up capital is Tk 1.447 crore while it has a reserve and surplus of Tk 1,696 crore, DSE data showed.

Shares of Exim Bank traded at Tk 10.40 on the DSE yesterday, unchanged from a day earlier.

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		gh any registered bank branches up to particula				TDS ITT Clause No. & Field Name	Old Value	New Value
SI. No.	Package No.	Name of the sub-project Construction of kitchen market with	Tender ID 829868	Tender document last selling/downloading date & time 22 June 2023	Tender closing & opening date & time 22 June 2023	TDS ITT Clause 15.1 (b) Experience Criteria	b) The minimum specific experience as a Prime Contractor in successfully completion of Flexible pavement construction with DBS (Dense Bituminous Surfacing) works on National Highway/ Regional Highway/ Zilla Highway in a single contract of similar	b) The minimum specific experience as a Prime Contractor in successfully completion of Flexible pavement construction with DBS (Dense Bituminous Surfacing) works on National Highway/ Regional Highway/ Zilla Highway in a single contract of similar
'	togram/2022- 23/W-01	community center at 26 No. North Halishahar ward.	020000	12:30	14:00		nature, complexity and methods/construction technology within the last 5 (Five) years, with a value of at least BDT 85.00 (Eighty-Five) Crore only. The	nature, complexity and methods/construction technology within the last 5 (Five) years, with a value of at least BDT 85.00 (Eighty-Five) Crore only. The
2	LGCRRP/Chat togram/2022- 23/W-02	Construction of Alhaj Mohabbat Ali City Corporation High School at 26 No. North Halishahar ward.	829869	22 June 2023 12:30	22 June 2023 14:00		Tenderer must have the experience of Successfully completion of R.C.C Girder Bridge/P.C Girder Bridge/RCC Box Culvert works in above mentioned contract or in a separate contract with any contract	Tenderer must have the experience of Successfully completion of R.C.C Girder Bridge/P.C Girder Bridge/RCC Box Culvert works in above mentioned contract or in a separate contract with any contract
3	LGCRRP/Chat togram/2022- 23/W-03	Vertical Extension of Bahaddarhat Kitchen Market at 4 No. ward.	829872	22 June 2023 12:30	22 June 2023 14:00		value of similar nature, complexity and methods/construction technology within the last 05 (Five) years. [years counting backward from the date of publication of IFT]	value of similar nature, complexity and methods/construction technology within the last 05 (Five) years. [years counting backward from the date of publication of IFT]
4	LGCRRP/Chat togram/2022- 23/W-04	<ul> <li>a) Development of footpath at Foillatoli</li> <li>Bazar Road at 11 No. South Kattoli Ward.</li> <li>b) Development of footpath at B-Block</li> <li>Road at 26 No. North Halishahar Ward. c)</li> <li>Beautification work at Mohesh Khal at 26</li> <li>No. North Halishahar Ward. d)</li> <li>Beautification work and Footpath of DT</li> <li>Road (from AK Khan) at 10 No. North</li> <li>Kattoli Ward. e) Beautification work at</li> <li>Artillery Road field at 11 No. South Kattoli</li> <li>Ward.</li> </ul>		22 June 2023 12:30	22 June 2023 14:00		Note 1: The tenderers must have his own Asphalt Batching Plant as specified in ITT 18.1 within the jurisdiction of RHD Cumilla Zone. Note 2: It is mentioned here that during evaluation tenderers ongoing work performance (ADP works or PMP works) under RHD Cumilla Zone will be considered as a responsiveness of tenderers. Note 3: Tenderers are requested to read the "Information for Tenderer/Consultant" section of the Notice (IFT) of this tender and follow the instructions mentioned strictly. Note 4: Partial/incomplete certificate shall not be accepted. Note 5: The work Completion certificate shall clearly state (a) Key works (b) Final bill amount (c) date of commencement (d) Actual date of completion etc.	Note 1: The tenderers must have his own Asphalt Batching Plant as specified in ITT 18.1 within the jurisdiction of RHD Cumilla Zone. Note 2: It is mentioned here that participated tenderers ongoing ADP works in this Zone will be evaluated and the management capacity, strength of equipment, key staffs will be one of the key issues in determination of responsiveness. Note 3: Tenderers are requested to read the "Information for Tenderer/Consultant" section of the Notice (IFT) of this tender and follow the instructions mentioned strictly. Note 4: Partial/incomplete certificate shall not be accepted. Note 5: The work Completion certificate shall clearly state (a) Key works (b) Final bill amount (c) date of commencement (d) Actual date of completion etc
	er information al //www.eprocure.go	nd guidelines are available in the Nationa ov.bd).	al e-GP Sj				n will be the part & parcel of the Tender document. All othe orrigendum Notice-01 will be the part of the Tender Do	er terms and conditions of the Tender Document will remain ocument. For further information please visit the website:
	/PRD-174/22-23 7‴x4 col 228			Jashim U Executive Er On behal Chief Engi Chattogram City	ngineer If of ineer	GD-926	<u>⊻</u> .	Suniti Chakma ID No. 602147 Executive Engineer, RHD Road Division, Cumilla 01730-782641

# **BUSINESS**

#### 180 to get CIP status 140 are exporters, 40 chamber, trade body leaders

#### STAR BUSINESS REPORT

The government has selected 180 businesspeople to honour them with the commercially important person (CIP) status as part of efforts to recognise their contributions in national export and vital roles played in trade bodies in 2021.

Of the selected, 140 made their mark in exports while the rest 40 are the leaders of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) along with different associations and chambers.

The commerce ministry shared the information through a gazette notification on May 24.

The selection was made based on their performance in export earnings, employment creation, working conditions, payment to workers and employees, tax payments, innovation in marketing, technology use in product manufacturing and management.

The export category CIPs are selected from different sectors, including jute, leather and leather goods, woven and knit garments, specialised and home textile, fabrics, handy craft, light engineering, plastic, agro processing and agricultural products, ceramic, frozen food, pharmaceuticals. computer software and miscellaneous.

The CIP status will remain valid for one year. However, the CIPs can use the cards until the next group of CIPs is announced.

According to the gazette, every CIP will enjoy some governmentprovided benefits like being able to enter Bangladesh Secretariat using vehicles with stickers and get invited to national programmes and receptions accorded to citizens by city corporations and municipalities.

The foreign ministry will send letters of introduction to the embassies concerned in favour of the CIPs to avail visa whenever they travel abroad while the CIPs can also enjoy VIP lounges II at airports.

The CIPs will also get priority in booking seats in public transport like airlines, railway, buses and water vessels, the gazette also said.



The number of mobile subscribers in the country was up by about 3.5 lakh in April from that a month earlier, taking the total number to 18.42 crore. PHOTO: STAR

# Increase tax on the rich

#### Bangladesh Economic Association urges govt

**BUDGET** 

FY2023-24

National order to make ends meet. Besides, most middle-income people are reducing consumption with many having cut protein out of their diet. In addition, a lot of people are losing the ability to afford medicine.

The BEA yesterday came up with an alternative budget of about Tk 20.94 lakh crore for next fiscal year with the aim of elevating 70 to 80 per cent of the population to middle class so that inequality drops to a minimum level.

So far, direct taxes contributed about 46 per cent of the government's total revenue receipts this fiscal year while it is 72 per cent higher in the alternative budget, Barkat said.

"Changes in the government's revenue structure in our alternative budget Barkat added that the ongoing are qualitatively diverse and aimed at addressing inequalities," he added.

The BEA's plan is expected to be around to break their savings or borrow funds in 2.7 times higher than that of the finance in the next 10 years.

minister's upcoming national budget.

Besides, the alternative budget is three times larger than the government's Tk 6.79 lakh crore budget for the current financial year.

The finance minister will likely place a budget of Tk 7.64 lakh crore for fiscal 2023-24 at parliament on June 1.

To finance the alternative budget, Barkat said revenue generation would contribute Tk 19.29 crore, which is 4.42 times higher than the revenue target for the current fiscal year. The remaining 7.8 per cent, or Tk 1.65 lakh crore, will be in deficit.

Of the revenue collected through the National Board of Revenue, tax on income, profit and capital it would make up about Tk 5.36 lakh crore, as per the alternative budget.

Also, it is possible to get Tk 2.12 lakh crore from wealth tax, Barkat said, adding that the BEA formulated the alternative budget with the aim of achieving six goals

## Mobile subscribers grow in April

#### MAHMUDUL HASAN

Mobile subscriber numbers witnessed a slight growth in April, as two of the top operators made gains while the other two lost customers.

The number of subscribers was up by about 3.5 lakh in April from that a month earlier, taking the total to 18.42 crore.

The top two private mobile network operators Grameenphone and Robi -- collectively added about 4.5 lakh new customers while third-placed Banglalink and state-owned Teletalk lost about 1.30 lakh customers jointly.

This is the fourth consecutive month mobile subscriber numbers in Bangladesh have grown.

From July to December last year, the customer's base had declined by over 35 lakh.

Subscriber here means a biometric verified subscriber or subscription which was active (voice, data, SMS etc) at least once in the preceding 90 days.

Of the over 18 crore SIMs now in circulation, 12 crore are of unique users, Telecom Minister Mustafa Jabbar told The Daily Star recently. A person can use as many as 15 SIMs.

With 3.90 lakh new customers in April, top operator Grameenphone took its total number of customers to almost 8.05 crore.

#### Of the over 18 crore SIMs now in circulation, 12 crore are of unique users. A person can use as many as 15 SIMs.

"After the SIMs sales ban was withdrawn, we have been witnessing an incremental growth in our customer numbers," said Hossain Sadat, senior director for corporate affairs at Grameenphone Ltd.

This was the fourth consecutive month of growth witnessed by Grameenphone after months of downturn since July last year due to a ban on its SIM sales.

On June 29 last year, the telecom regulator banned Grameenphone's SIM sales until it "improves its quality of service, including bringing down the call drop rate". The ban was eventually lifted on January 2 this year.

During the six-month ban period, it lost almost 50 lakh customers, taking a toll on the country's total mobile subscriber base.

In the last four months till April, Grameenphone added about 13 lakh customers.

With the new 1.5 lakh customers, second largest operator Robi's subscriber numbers stood at 5.57 lakh in April.

"The market has now turned into a highly competitive one as everyone is vying for acquiring customers," said Shahed Alam, chief corporate and regulatory officer at Robi Axiata Ltd.

"Recently we have invested in network expansion and have helped the customers to join our network for enhanced quality of services, "he added.

Third-placed Banglalink lost 70,000 customers in April from that in March, a decline in customers witnessed after 20 consecutive months. Now it has 4.13 lakh customers. The last time it lost customers was in August 2021.

## Why insurance stocks surging

#### FROM PAGE B1

But stocks of life insurance companies are rising mainly because of rumours, said the broker.

"Rumour has it that some big players are taking a stake in the insurance sector, so many investors are rushing towards these stocks."

related to making insurance obligatory for vehicles has given a much-needed fillip to investors and the manipulators are using this sentiment to their advantage.

STAR BUSINESS REPORT

Dhaka's Eskaton yesterday.

in the country.

The Bangladesh Economic Association

(BEA) yesterday proposed that the

government increase tax on the rich while

giving relief to lower-middle class people

the rich to increase government revenue,"

Abul Barkat, president of association, said

at a press conference at the BEA office in

inflationary pressure is the root cause of

people's misery as they are being forced

"We should put reasonable pressure on

"As the overall market has remained unattractive for many days, many companies have not moved much. investors are rushing to this group For example, Grameenphone and of stocks chip companies, did not see any price the hope of making some short-term gains. Of the 53 insurers that have witnessed an increase in the last one month, 16 rose more than 30 per cent, DSE data showed. Thirty-one firms advanced between 10 per cent and 29 per cent. Only six companies gained less than 10 per cent. Among the individual firms, newly listed Trust Islami Life Insurance surged 154 per cent, Rupali Life Insurance climbed 81 per cent, and Islami Commercial Insurance Company, another newly listed insurer, climbed 59 per cent. Stocks of Meghna Insurance, Global Insurance, Agrani Insurance, and Crystal Insurance jumped more than 40 per cent. The fact that the rise of most of the insurance stocks has been driven by speculation was evidenced by the sharp increase of the newly listed insurers and low paid-up capital-based stocks. On the other hand, most of the wellperforming insurance companies rose slightly, said a merchant banker. according to the Idra. For example, Delta Life Insurance,

one of the leading life insurers in Bangladesh, rose less than 10 per cent. Reliance Insurance grew 11 per cent and Bangladesh General Insurance Company advanced 20 per cent.

In fact, most of the well-reputed Square Pharmaceuticals,

ended on December 31.

their business scenario.

earnings.

#### Tax return filing crosses 30 lakh FROM PAGE B1

A lot needs to be achieved, said Nasiruddin Ahmed, former chairman

of the NBR. Still, the total number of tax returns submitted is just over onethird of the total number of people who have taxpayer identification numbers (TIN), he said.

NBR. Besides, a large number of people who have taxable income are out of the tax net.

Efforts to expand the tax net needs to be strengthened, said Ahmed, of income tax policy at the NBR. suggesting for increased automation and connectivity among the government's various agencies so that

The requirement of the PSR for certain services has helped expand the tax base, although many people do not have taxable income, said Aminur Rahman, a former member

He said many people, such as pensioners and housewives, have savings certificates and the amount over time.

investment decisions on the basis of speculation as most stocks have seen little movement in recent months owing largely to the floor price.

In July last year, the Bangladesh Securities and Exchange Commission (BSEC) set the floor price of every stock to halt the free fall of the market indices amid global economic uncertainties. The floor was lifted for some companies in December before bringing it back for every firm in March.

Owing to the floor price, most stocks have become illiquid and investors fear that the shares could slide once the regulatory move is lifted completely since the economic uncertainty shows no sign of disappearing as the war rages.

"Most of our stocks rise without any logic and we always look for stocks that are backed by big players," said an investor.

"When big players invest heavily and try to manipulate a stock, many general investors believe that the share will rise as large investors will not let it fall primarily before dumping it."

Seeking anonymity, a top official of an investment bank says the news

## Take steps to roll out

#### FROM PAGE B1

All citizens aged between 18 years and 50 years based on their national identity card, including expatriate Bangladeshis, will qualify for the benefit, according to the act.

Currently, only employees of government. semi-government or autonomous organisations in Bangladesh receive pension benefits.

As the country is moving towards having a bigger number of aging people, the government should not waste time to move to the next step and to ensure allocations from the upcoming budget, he said.

Khondker went on to say that the government formulated the act in line with National Social Security System (NSSS).

The NSSS is a long-term roadmap developed in 2015 for poverty reduction through the reformation of the country's social security structure building upon the existing network of diverse social security programmes.

But the government has to work soon to formulate the act's structural framework and action plan, said Khondker, who is also the chairman of

the South Asian Network on Economic Modeling (SANEM), an independent think tank.

Besides, he also stressed on the implementation of the NSSS, which includes a lot of aspects apart from pensions, through the allocation of adequate money in every budget.

"The implementation rate of the declared NSSS is very slow according to its roadmap," he said.

"If the government could implement the roadmap properly, many people would get the scope to come under the social protection systems," he said.

Apart from this, the economist also urged the government to ensure proper selection of beneficiaries across the country.

"Currently the government has 141 social safety net programmes. In the beneficiary selection process, there are many loopholes," said Khondker.

He said the criteria used for beneficiary selection for social security programmes need complete overhauling.

Provisions are also needed for automatic periodic updates of beneficiaries in line with social and economic development, he said.

He also criticised the government for failing to properly implement a National Household Database (NHD)

project.

Initially known as Bangladesh Poverty Database, the NHD project was meant to help streamline the beneficiary selection process for social safety net programmes by gathering socioeconomic data of each household in the country.

It was implemented by the Bangladesh Bureau of Statistics with support from World Bank in 2013.

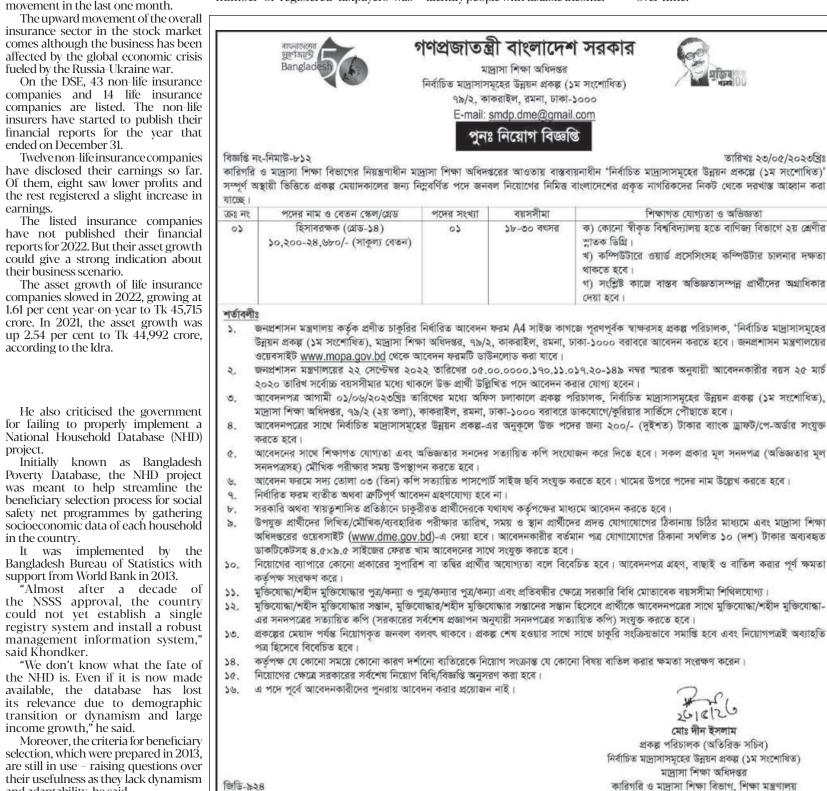
Almost after a decade of the NSSS approval, the country could not yet establish a single registry system and install a robust management information system," said Khondker.

"We don't know what the fate of the NHD is. Even if it is now made available, the database has lost its relevance due to demographic transition or dynamism and large income growth," he said.

Moreover, the criteria for beneficiary selection, which were prepared in 2013, are still in use - raising questions over their usefulness as they lack dynamism and adaptability, he said.

As of April this year, the total they can share and cross-match data to of investment has risen cumulatively

number of registered taxpayers was identify people with taxable income.





# **BUSINESS**



The "Himsagar" variety of mango being neatly packed into crates in Kadamtola Mor at Khulna's Borobazar Station Road. Each maund (around 37 kilogrammes) is selling at wholesale for Tk 1,100 to Tk 2,200 depending on the size and quality. The photo was taken yesterday. PHOTO: HABIBUR RAHMAN

### **NBFIs** asked to complete procedures to add PLC suffix

#### STAR BUSINESS REPORT

The Bangladesh Bank has directed non-bank financial institutions (NBFIs) to complete legal procedures in order to replace their company suffix "Limited" with PLC.

The central bank gave the direction in a notice on Wednesday.

In Bangladesh, companies are switching to the PLC (Public Limited Company) suffix in order to comply with the amended Company Act 1994. The amendment was made in 2020.

A PLC is a public company and is the equivalent of a US publicly traded company that carries the Inc. or corporation designation. The use of the PLC abbreviation after the name of a company communicates to investors and to anyone dealing with the company that it is a publicly traded corporation.

Ås per the amendment, NBFIs would have to change the Memorandum of Association and the Articles of Association in order to assume the PLC suffix, said the BB notice.

Currently, 35 NBFIs are operating in

# **Stop under-invoicing** in sugar imports

#### Refiners' association urges NBR to take steps

#### SUKANTA HALDER and SAJJAD HOSSAIN

Sugar refiners of the country recently complained that some importers are under-invoicing their shipments of refined sugar in a bid to make more profit from higher prices of the sweetener.

This practice is not only hampering local mills by reducing the competitiveness of their product, but also taking revenue away from the government, Bangladesh Sugar Refiners Association (BSRA) said in a letter to the National Board of Revenue (NBR) on May 22.

With this backdrop, the BSRA urged the tax administrator to tighten import regulations as well as determine an acceptable price for refined sugar in line with the current market situation.

The domestic sugar industry plays a

sugar, according to the letter.

As such, the hike in global prices has positively impacted the government's revenue collection from shipments of the sweetener, which surpassed Tk 5,000 crore last year.

However, recent media reports indicate that refined sugar is being imported for as low as \$430 per tonne in certain cases.

**Bangladesh** now requires about 20 to 22 lakh tonnes of sugar each year. Of this amount, local mills can produce just 30,000 to 35,000 tonnes, while five refiners import the rest.

importers frequently understate

import prices to evade duties and taxes,

further highlighting the importance

of price verification and regulatory

general manager of Meghna Group

of Industries, one of the biggest

commodity importers and processors

in Bangladesh, said this matter has

So, the government should take

Golam Rahman, secretary general

appropriate action in this regard, he

Taslim Shahriar, senior assistant

measures, the BSRA said.

turned into a big problem.

added.

amounts of tax when importing raw of Deshbandhu Sugar Mills Ltd, said some importers are evading duty when bringing sugar into the country to make more profit.

On the other hand, businesses that are not engaging in this practice are suffering commercially.

"Such shipments are being imported through the Benapole and Chattogram ports," he added.

Rahman went to say that the customs authority should verify these accusations as only then will the truth be revealed.

Consumers are having to pay more than the government-fixed rate for sugar as local millers and refiners were forced to adjust their prices in line with higher production costs.

The ongoing US dollar and energy crises stemming from the Russia-Ukraine war led to market volatility since July-August last year, inflating global prices for raw sugar and fuel in This is because unscrupulous the process.

# When the fox is the keeper

#### MAHTAB UDDIN AHMED

The tales of the cunning fox deceiving other animals are integral to our childhood. In one of these stories, this mother crocodile leaves her five babies with the clever fox to tutor them.

Every morning when the mother crocodile came to check on her young babies, the fox who was devouring them one by one would fool the crocodile by showing the same baby several times until there were none left to show, and the devastated mother then realised all too late what a fool she has been.

The story's moral is that trusting the wrong person can have severe consequences, especially when we trust big companies like the Big 4 without fact-checking their malpractices.

In the society that we live in, we have all had our fair share of foxes. While bankers are there to protect the public money, they are also busy on their fortune sprees. While lawmakers make laws to improve life, it is often the lawmakers themselves who believe they are above those laws.

Coming back to the Big 4, I had earlier written an article titled "Our Love for Big 4!" in which I shared some real-life stories that highlight how their greed for profit supersedes their business ethics which is core to their business.

Recently, PWC in Australia has come under intense political pressure after it was revealed its top executive shared with other PwC that employees the government's



confidential plans combat tax avoidance by multinational firms. They used that information to tailor tax avoidance plans for multinational firms, including Silicon Valley tech giants. The partner who worked on the Australian government tax assignment shared the confidential information with as many as 50 partners or

employees.

"We are committed to learning from our mistakes and ensuring that we embrace the high standards of governance, culture and accountability that our people, clients and external stakeholders rightly expect," said Kristin Stubbins, acting chief executive of PwC. It is not about learning from mistakes but making money at any cost.

The annual revenue of the Big 4 ranges from US\$34 billion to US\$59 billion in 2022, according to Statista. The usual fine for non-compliance ranges from \$1 million to \$100 million, a negligible sum against the revenue. Such low fines, mostly in developed countries, encourage them to carry on with their unethical practices.

Considering the repeated conflict of interests, EY proposed to split into two separate businesses: one for audit and the other for advisory and consulting services. While EY expected the competitors to follow suit, the other three stood their ground because of the anticipated impact on revenue. Now, EY may backtrack from its original position.

The idea of a Big 4 split was first mentioned in a report by a UK parliamentary committee following the collapse of the construction group Carillion in 2020. The UK accounting regulator

Bangladesh while the maiden one was established in 1981. Of them, two are fully government-owned, one is the subsidiary of a state-run commercial bank, 19 were initiated by private domestic initiative, and 13 were initiated by joint venture initiative.

Major sources of funds for NBFIs are term deposits (at least three months tenure), credit facilities from banks and other NBFIs, call money as well as bond and securitisation.

NBFIs can conduct their businesses with diversified financing modes such as syndicated financing, bridge financing, lease financing, securitisation instruments, and private placement of equity.

They are not allowed to issue cheques, pay orders or demand drafts, receive demand deposits, and be involved in foreign exchange financing

crucial role in the economy by catering to the demand for the sweetener and employing a significant number of workers.

So, the BSRA's primary concern is to ensure market stability as any disruptions would not only impact the mills, but also put jobs at risk.

Bangladesh now requires about 20 to 22 lakh tonnes of sugar each year. Of this amount, local mills can produce just 30,000 to 35,000 tones, necessitating imports of raw sugar by the country's five refiners.

At present, the global market price for raw sugar stands at about \$600 to \$700 per tonne while it is \$750 per tonne for refined sugar.

BSRA members dutifully pay huge of the BSRA and managing director

After that, the government fixed the local price of sugar in three rounds.

On May 10 this year, the commerce ministry increased the price of loose refined sugar to Tk 120 per kilogramme while the price of packaged refined sugar was set at Tk 125 per kilogramme.

However, sugar is currently being sold for Tk 130 to 140 per kilogramme at retail.

About 95 per cent of the imported sugar is unrefined, according to NBR data, which shows that shipments mainly come from Brazil, India, Australia, the UK, and Malaysia.

Germany enters recession

directed the Big 4 to split by 2024.

Developing countries, including Bangladesh, should muster up the courage to dissent against the unethical practices of Big 4 or alternatively have some control over them. The Financial Reporting Council may consider forcing these firms to split their consultancy and audit businesses as UK regulators did. Another point to consider is to look for subject matter experts from international or local markets instead of the Big 4.

We have little or no control over Big 4's operations in Bangladesh. Rather, our government and big corporates rely heavily on their services due to their perceived acceptance by the authorities. They are, in fact, used not as much for their reliability but to save their back in the face of a finger being pointed. About time to get alert!

The author is founder and managing director of BuildCon Consultancies Ltd

# Shipping Corp profit up 23% in third quarter

#### STAR BUSINESS REPORT

Bangladesh Shipping Corporation (BSC) made a Tk 62.23 crore profit in the third quarter of the current financial year, an increase of more than 23 per cent year-on-year.

The state-run enterprise clocked a profit of Tk 50.49 crore in the same January-March quarter of 2021-22.

Thus, the earnings per share rose to Tk 4.08 in the first quarter of 2022-2023 from Tk 3.31 in the same quarter of 2021-2022. Similarly, BSC posted a 7.75 per cent higher profit at Tk 190.52 crore in July-March of FY23, which was Tk 176.79 crore during the identical nine-month period of FY22. So, the EPS rose to Tk 12.49 from Tk 11.59.

Shares of the company were down 0.07 per cent to Tk 134 on the Dhaka Stock Exchange yesterday.

Md Lal Hossain, company secretary, said the ship operation of BSC has improved and it maintains its schedule properly and makes delivery on time.

He said the corporation has met some criteria and complex regulations related to international compliance, which would help revenue grow. BSC has seven ships. Of them, five are ocean-going and the rest two are lighter vessels.

The corporation has undertaken a number of projects to modernise its ships and expand its existing fleet in order to tap the prospect of blue economy and future demand.

BSC's plan includes the acquisition of a number of vessels and replacing the existing ones with a view to increasing its capacity to carry export and import goods.

The Executive Committee of the National Economic Council endorsed a project for the procurement of two mother tankers and two mother bulk carriers.

#### AFP, Berlin

Germany fell into a recession around the turn of the year, official figures published Thursday showed, as inflation and higher interest rates curbed demand in Europe's largest economy.

Over the first three months of 2023, the economy shrank by 0.3 percent, the federal statistics agency Destatis said, downgrading an initial estimate of zero percent.

Following a 0.5-percent contraction in the last three months of 2022, it was Germany's second consecutive quarter of negative growth -- the threshold for a "technical recession".

The slump came as Germany battled a surge in energy prices in the wake of the Russian invasion of Ukraine, which has weighed on households and businesses.

The increased cost of energy has driven inflation, which sat at 7.2 percent in Germany in April, down only slightly from its peak towards the end of 2022.

The persistence of high price increases continued to be a burden on the German economy at the start of the year," Destatis said in a statement.

The impact was felt particularly by

Economy battered by higher inflation, interest rates on items such as food and clothing. The negative revision to the growth

figure was no surprise following a string of weak economic indicators, LBBW bank analyst Jens-Oliver Niklasch said.

"The early indicators suggest that things will continue to be similarly

weak in the second quarter" of 2023, Niklasch said. Industrial orders, which give a foretaste of factory output, plummeted in March when compared with the same month last year.

Germany, which had long been heavily reliant on Russian energy



An employee works at a gear in a assembly hall of the German gear manufacturing company Renk in Augsburg, southern Germany, on May 8. PHOTO: AFP

imports, was left particularly exposed following the Russian invasion in February last year.

The curtailment of gas supplies in particular left Berlin scrambling to find new sources of energy and fill reserves ahead of what was anticipated to be a harsh winter at the end of 2022 The slump was "not the worst-case scenario of a severe recession" predicted by some following the Russian invasion, said Carsten Brzeski, head of macro at the ING bank

But mild temperatures, a rebound in key market China and the easing of supply chain problems following the coronavirus pandemic were "not enough to get the economy out of the recessionary danger zone", Brzeski said.

"A drop in purchasing power, thinned-out industrial order books as well as the impact of the most aggressive monetary policy tightening in decades" were likely to drag on the economy further, he said, referring to the European Central Bank's interest rate hikes against inflation.

An anticipated slowdown in the US economy and the continuation of the war in Ukraine would also weigh on output, he said.