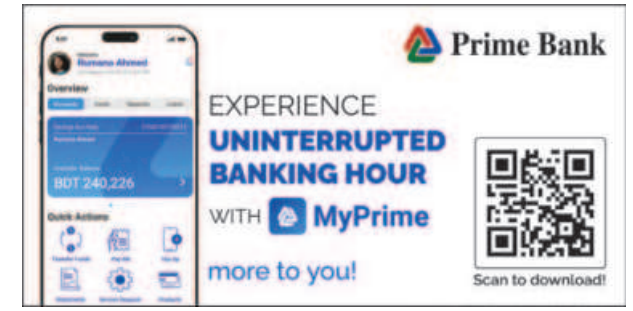


Star BUSINESS



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.

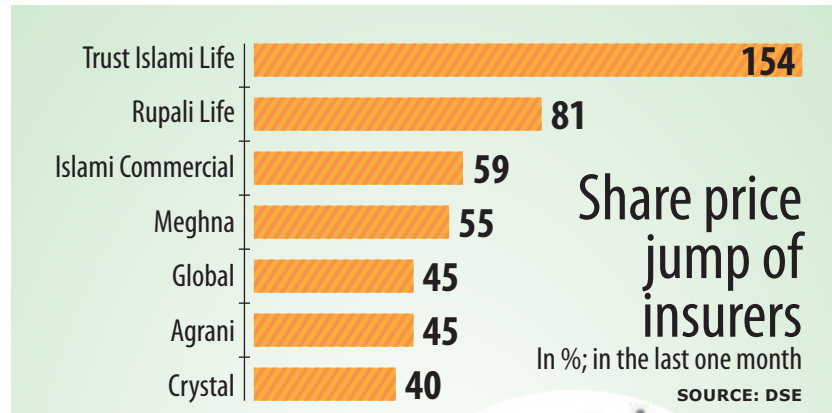
The Financial Institutions Division of the finance ministry has prepared a summary to this effect for the Prime Minister's Office for consideration.

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 The law was repealed in 2018, although road crashes are common and at least 7,713 people were killed in road accidents in 2022, according to the Road Safety Foundation.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



AT A GLANCE

- Listed insurance companies: 57
- Of them, 3 remained same
- One insurer fell slightly
- 53 rose

WHY INSURANCE STOCKS ROSE

- Proposal of mandatory insurance for all vehicles
- Rumours about manipulators' participation
- Rush of investors as other stocks remained dull for long

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.

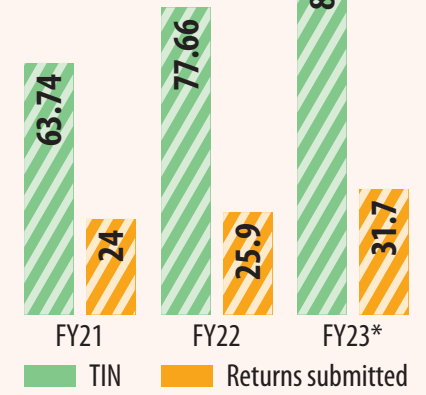
People who open and continue using bank accounts of any sort with a credit balance of over Tk 10 lakh also needed to submit tax returns and submit acknowledgement receipts or tax certificates, among others.

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

Registered taxpayers and return submission

In lakh; *As of April

SOURCE: NBR



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

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

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

STAR BUSINESS REPORT

Almost two-thirds of rural households and cottage, micro and small firms in a survey were found to be mostly dependent on microcredit to avoid hassles of availing conventional bank loans.

They prefer the microcredit even though the interest rate goes up by almost threefold to reach 24 per cent, said the survey conducted among 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.

However, rural people are taking loans at a very high interest rate of around 23 per cent to 24 per cent or above, it said. Those who availed loans were mostly unable to meet criteria of banks, including managing collateral, it said.

potential for growth in the rural economy," he said.

The survey also found that around 91 per cent of the entrepreneur respondents had to start their businesses with personal or family savings, or by borrowing from



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

"If MFS and formal financial sources can meet that demand, there is a huge

friends or family, without any financial support from formal financial sources.

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

Access to finance remains a significant constraint to sustained development in these regions as the microcredit institutions are charging high interest rates, said Ahsan H Mansur,

executive director of the PRI, at the event.

"In light of this, the agent banking model has emerged as a vital solution, offering cost-efficient 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 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.

National BUDGET FY2023-24

Take steps to roll out universal pension scheme

Economist Bazlul Haque Khondker says

MD ASADUZ ZAMAN



The government should take specific steps through the upcoming national budget for 2022-23 to roll out a universal pension scheme, said an economist.

In January, the parliament passed Universal Pension 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, old-age complications or extreme poverty.

READ MORE ON B3



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

Exim Bank to issue Tk 600cr bond

STAR BUSINESS REPORT

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.

READ MORE ON B2

STOCKS	
DSEX ▲	CASPI ▲
0.31% 6,325.73	0.22% 18,637.95

COMMODITIES	
Gold ▼	Oil ▼
\$1,952.06 (per ounce)	\$73.20 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.16% 61,872.62	▲ 0.39% 30,801.13	▼ 0.2% 3,207.72	▼ 0.11% 3,201.26

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 23 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 memorandum of understanding (MoU) over medical services.

NM Firoz Kamal, deputy general manager and head of card business division of Pubali Bank, and Tan Kean Hin, director of marketing at

Mahkota Medical Centre, signed the MoU at the bank's head office in Dhaka recently, said a press release.

Under this MoU, the bank's cardholders will enjoy up to 20 per cent discount on all hospital expenses, medical check-up, aesthetic and laser treatment along with other medical facilities at this medical centre in Malaysia.

Mohammad Ali, managing director and CEO of the bank, Mohammad Anisuzzaman, deputy managing director, and Md Rabiul Alam, deputy general manager and head of alternative 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 co-branded card

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 Mostahidul 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 Shafiqur 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 ↑	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	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 versus the yen 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.

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 mobilise remittances from abroad to a large extent and the central 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.

The expatriate Bangladeshis 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 to invest in strengthening digital banking platforms, which is why default loans will have to be contained.

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,

but the thought is not right as many aged people are now using our (Brac Bank) app," he said.

If anyone helps the senior citizens, they can easily do it, Hussain added.

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

Exim Bank to issue

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 secure 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.

"Hopefully, we will continue to do good business in the coming periods."

Exim Bank's profit surged more 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 2021.

Thanks to the higher profit, the company declared a 10 per cent cash dividend for its shareholders.

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.

Government of the People's Republic of Bangladesh
Chattogram City Corporation
Nagar Bhaban, Tigerpass, Chattogram
www.ccc.org.bd

Memo No. 46.11.1600.002.31.23.0078
Dated: 24/05/2023

e-Tender Notice-LGCRRP/CCC/2022-23/01

This is an online tender where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender document of following packages from the National e-GP System Portal have to be deposited online through any registered bank branches up to particular date and time specification the tender notice.

Sl. No.	Package No.	Name of the sub-project	Tender ID	Tender document last selling/downloading date & time	Tender closing & opening date & time
1	LGCRRP/Chattoqram/2022-23/W-01	Construction of kitchen market with community center at 26 No. North Halishahar ward.	829868	22 June 2023 12:30	22 June 2023 14:00
2	LGCRRP/Chattoqram/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
3	LGCRRP/Chattoqram/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
4	LGCRRP/Chattoqram/2022-23/W-04..	a) Development of footpath at Foillatoli Bazar Road at 11 No. South Kattoli Ward. b) Development of footpath at B-Block Road at 26 No. North Halishahar Ward. c) Beautification work at Mohesh Khal at 26 No. North Halishahar Ward. d) Beautification work and Footpath of DT Road (from AK Khan) at 10 No. North Kattoli Ward. e) Beautification work at Artillery Road field at 11 No. South Kattoli Ward.	829873	22 June 2023 12:30	22 June 2023 14:00

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (<http://www.eprocure.gov.bd>).

Jashim Uddin
Executive Engineer
On behalf of
Chief Engineer
Chattogram City Corporation

CCC/PRD-174/22-23
Size: 7"x4 col
GD-928

Government of the People's Republic of Bangladesh
Office of the Executive Engineer, RHD
Road Division, Cumilla
E-mail: eeecom@rhd.gov.bd

Memo No. 35.01.1933.410.07.001.23-2975
Date: 25-05-2023

e-Tender Corrigendum Notice No. 01
of
Contract No. e-GP/CRD/ADP/4 Nos. District Highway/WD-03, Tender ID No. 826131
invited by this Office will be as follows:

TDS ITT Clause No. & Field Name	Old Value	New Value
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 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 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 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]	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 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 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 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]

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 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.

This corrigendum will be the part & parcel of the Tender document. All other terms and conditions of the Tender Document will remain unchanged. The Corrigendum Notice-01 will be the part of the Tender Document. For further information please visit the website: www.eprocure.gov.bd.

Suniti Chakma
ID No. 602147
Executive Engineer, RHD
Road Division, Cumilla
01730-782641

GD-926



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.

As 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 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

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 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 tonnes, 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

amounts of tax when importing raw 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.

This is because unscrupulous importers frequently understate import prices to evade duties and taxes, further highlighting the importance of price verification and regulatory measures, the BSRA said.

Taslim Shahriar, senior assistant general manager of Meghna Group of Industries, one of the biggest commodity importers and processors in Bangladesh, said this matter has turned into a big problem.

So, the government should take appropriate action in this regard, he added.

Golam Rahman, secretary general of the BSRA and managing director

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 the process.

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.

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 speers. 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 that its top executive shared with other PwC employees the government's confidential plans to 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 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.

Germany enters recession

Economy battered by higher inflation, interest rates

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 consumers who reined in their spending

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 an 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.