

Women should participate more in internet governance

Experts say

STAR BUSINESS REPORT

Female representation in the decision-making processes related to the internet is crucial for addressing the digital divide in Bangladesh, experts said yesterday.

"Women are still underrepresented in internet governance. Women's participation in internet governance can help to address the digital divide," said Farha Mahmud Trina, secretary-general at the Bangladesh Women Internet Governance Forum.

"By increasing women's participation in internet governance, we can help close the digital divide and ensure that everyone has access to the benefits of the internet."

The internet can be a powerful tool for women's empowerment, she said.

It can provide women with access to information, education, and employment opportunities and also help women connect with each other and build networks of support, she added.

She made the comments while presenting a paper titled "Role of women internet governance forum for achieving SDGS 5" at a session of the third edition of the three-day Bangladesh Youth Internet Governance Forum 2023 at the CIRDP auditorium in Dhaka.

Although women are victims of violence on the internet, there is no alternative to connectivity for women, said Amrita Choudhury, vice chair for Asia Pacific at the Internet Governance Forum.

She warned that algorithms of artificial intelligence platforms like ChatGPT could also be used for violence against women.

The three-day Youth IGF ended on Saturday with a total of eight sessions and workshops.

Oil prices rise

REUTERS, Houston

Oil prices ticked up on Friday as US officials appeared close to striking a debt-ceiling deal, and as the market weighed conflicting messages on supply from Russia and Saudi Arabia ahead of the next Opec+ policy meeting.

Brent crude settled 69 cents, or 0.9 per cent, higher at \$76.95 a barrel. US West Texas Intermediate closed up 84 cents, or 1.2 per cent, at \$72.67 a barrel.

On a weekly basis, both benchmarks posted a second week of gains with Brent climbing 1.7 per cent, while WTI rose 1.6 per cent.



Nikhil Sarker polishes an Indian version of the harmonium, a free-reed aerophone used in music of all kinds, including folk, light, semiclassical and classical. One can take around one month to make out of wood, metal, brass and cloth. The veteran artisan charges anywhere from Tk 25,000 to Tk 60,000 for each depending on the quality. The photo was taken next to Khulna Press Club on Sir Iqbal Road in Khulna city recently.

PHOTO: HABIBUR RAHMAN

Make tax return submission mandatory for all NID cardholders

Foreign minister says at an event paying tribute to AMA Muhith

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Submitting income tax returns could be made mandatory for every national identification (NID) cardholder with a view to expanding the tax net, Foreign Minister AK Abdul Momen said yesterday.

Momen said he had proposed making return submission mandatory for all NID cardholders when his elder brother, the late AMA Muhith, was the finance minister of Bangladesh.

And although Muhith wanted to implement it, he was unable due to bureaucratic tangles, Momen added.

The foreign minister made these comments at a programme, styled "Remembering Abul Maal Abdul Muhith", organised by the Economic Reporters' Forum (ERF) at its office in Dhaka.

At the event, Momen recalled the contributions his brother made to the nation.

Momen said Muhith, in his book, had identified foreign nationals who contributed to the Liberation War of

Bangladesh in 1971.

Now, the government is awarding those foreign nationals for their outstanding contributions, he added.

A group of ERF members who had a warm professional relationship with the former finance minister also recalled their memories with Muhith.

Fazle Kabir, former governor of Bangladesh Bank, said Muhith was a great economist as well as a versatile and robust genius.

Kabir also narrated how the \$1 billion meant for the construction of Padma Bridge was withdrawn by the World Bank.

It was Muhith who then took the initiative to make it clear that Padma Bridge would be constructed with the country's own financing, said Kabir, who was finance secretary at the time.

Kabir recalled how Muhith handled the cyber heist incident, where \$81 million was stolen from the central bank by a group of hackers.

Self-efface and neutrality were two rare personal traits of the former finance

minister, he added.

Mahubub Ahmed, former senior finance secretary, said Muhith had unofficially told him to negotiate with the US for signing a Trade and Investment Cooperation Forum Agreement (TICFA) with Bangladesh as the issue was pending for many years.

Finally, both Bangladesh and the US signed the TICFA for resolving different bilateral trade issues between the two countries through discussions and consultation, Ahmed added.

The former senior finance secretary went on to say that Muhith was involved in Paribesh Bachao Andolon, a movement for saving the environment.

Being the finance minister, Muhith had instructed Ahmed to form the climate change trust fund to this end.

Muhith was a patriotic and hardworking person, Ahmed said.

ERF General Secretary Abul Kashem moderated the event, which was chaired by ERF President Mohammad Refayet Ullah Mirdha.

Next budget not aimed at pleasing IMF: Mannan

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The upcoming budget will not be aimed at pleasing the International Monetary Fund (IMF), said Planning Minister MA Mannan yesterday.

While speaking at a pre-budget discussion jointly organised by the FBCCI and NTV, a news channel, he said many are making criticisms, saying that the budget for 2023-24 will be framed in a way that would make the IMF happy.

"I strongly disagree with them. The IMF has nothing to do with our budget. We have prepared our budget."

The comments from the planning minister come as the finance minister is expected to present a budget that may take into account the conditionalities attached by the IMF with its \$4.7 billion loan programme.

In order to secure the loan, the government has agreed to time-bound conditions, including some key structural reforms stalled for years, that would preserve macroeconomic stability and support strong, inclusive and green growth while protecting the vulnerable.

Speaking at the discussion, Muhammad Abdur Razzaque, agriculture minister, said the government is working to keep the prices of essential commodities within the purchasing power of the people.



Md Jasim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, termed the current situation as the worst for businesses in four decades.

"Reining inflation would be the main challenge for the upcoming budget," he said, calling for adjusting tax and VAT on the imported essentials.

The business leader called for strengthening Bangladesh Petroleum Corporation so that the country can tackle the energy crisis the nation is experiencing currently.

He also said uninterrupted gas supply should be ensured for industries so that production does not face any disruption.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said in the past one year, businessmen had faced multiple challenges that they usually experience throughout their entire life.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, urged the government to expand the tax net.

"There should be a coordination between the monetary policy and the fiscal policy."

Salehuddin Ahmed, a former governor of the central bank, said local economists and experts have long recommended the government address the issues that have now been set as conditions by the IMF, but the government did not pay heed.

The programme was moderated by Zahirul Alam, chief news editor of NTV.

FY23 budget was a disappointment

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"This is hardly surprising as no serious tax reforms have happened since FY2012," Ahmed said.

"Bangladesh has substantial structural and institutional problems with the tax system and unless these are tackled, ad-hoc measures announced during the budget season are not going to work as amply demonstrated by the experiences of past several years."

Subsidies are likely to increase to 2 per cent of GDP in FY2023 mainly triggered by the surge in global energy prices. So, the government will need to find a way to contain subsidies to below 1.5 per cent of GDP, especially when it is unable to increase the tax-GDP ratio.

Ahmed said the government is cutting development and social protection spending to contain the budget deficit. Even so, the fiscal deficit will likely increase from 3.7 per cent of GDP in FY2021 to 5 per cent in FY2023.

"Furthermore, the financing of this deficit has relied substantially on bank financing that is causing an increase in domestic credit growth at a time when credit growth has to fall to reduce demand pressure on inflation."

"Rising fiscal deficit and greater reliance on bank financing are both inconsistent with macroeconomic stability."

The former senior official of the World Bank said the ongoing macroeconomic crisis is of serious concern.

"While the origins of the crisis lay in the heightening of global inflationary pressure that was further accentuated by the Ukraine War, the inadequate policy response has also played a role."

To manage the balance of payments, he said, the government responded by increasing tariffs and adopting a range of import control measures.

These policies drastically reduced the growth of imports and the current account deficit substantially

in FY2023 as compared with the outcome in FY2022.

But Ahmed said: "Global experience shows that import controls can at best be a temporary measure and not a sustainable way to manage the balance of payments. So, while imports fell and the current account balance improved, the flip side was a substantial slowdown in GDP growth."

The GDP growth is now estimated at 6.03 per cent for FY2023 against the original target of 7.5 per cent. The economy expanded by 7.1 per cent in FY2022.

"Additionally, these measures could not prevent a substantial worsening on the capital account as foreign direct investments did not expand as projected, short-term credit dried up and medium and long-term credit also slowed down," Ahmed said.

"Furthermore, there is evidence of significant capital flight. The signal value of import and exchange controls was highly negative for foreign direct investment, suppliers of trade credit, and the confidence of private investors."

The noted economist cited inflation management by the authorities and said: "The most surprising and negative policy stance was the absence of any demand control measures."

The government's responses to inflation reduction comprised of control over the exchange rate and the use of subsidies to prevent a pass-through of global energy price increases. Contrary to lowering demand, the government policy sought to boost demand by increasing domestic credit through controls over interest rates and a higher fiscal deficit.

"These policies further added to inflationary pressures," said Ahmed.

"Evidence shows that countries that adopted demand reduction policies through hikes in interest rates have all succeeded in reducing inflation substantially."

Inflation in Thailand decelerated from 7.7 per cent in June 2022 to 2.7

per cent in February 2023.

In the US, inflation plunged to 4.9 per cent in April this year from its peak of 9.1 per cent in June last year. India's inflation fell by 40 per cent year-on-year to 4.7 per cent in April.

In Vietnam, the inflation rate spike has been successfully curbed and contained in the 2-3 per cent range, Ahmed said.

"As compared with these successful outcomes of inflation reduction, Bangladesh did not achieve any success with inflation control."

The PRI vice-chairman said the Bangladesh Bank must act fast and with determination to lower the growth of credit by abandoning the 9 per cent interest rate policy and using interest rate flexibly.

The central bank has maintained the lending rate cap since April 2020.

Ahmed recommended the central bank use the interest rate to target domestic credit growth in a way that lowers domestic demand and reduces inflationary pressure.

"The central bank should also fast-track the development of a secondary market for treasury bills to facilitate an interest rate-based monetary policy management."

The economist urged the government to support this inflation control strategy by keeping fiscal deficits below 5 per cent, increasing the tax-GDP ratio, phasing the implementation of large capital-intensive projects, and mobilising low-cost foreign financing.

"It should also reduce bank financing of budget deficit by increasing its reliance on market borrowings using the secondary market for treasury bills."

Ahmed said these demand reduction policies would also help stabilise the balance of payments without the need to resort to import or exchange controls.

"Bangladesh Bank should also swiftly move to a market-determined and uniform exchange rate policy. This will support the growth of exports and remittances while also lowering demand for imports."

Crown Cement Surcharge likely in Tk 764cr expansion

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"We are expanding to a 6th production facility where 8,500 tonnes of cement will be produced per day. We are investing around Tk 764 crore for the facility," he said.

According to Alam, with the new unit in operation, the total production capacity of Crown Cement PLC will reach approximately 19,500 tonnes per day whereas currently it is around 11,000 tonnes per day.

According to his estimates, its annual production capacity would increase to 4.62 million tonnes from an existing 3.3 million tonnes.

The new facilities will be established next to the company's existing Muktarpur factory in Munshiganj, said Masud Kahan, chief adviser of Crown Cement PLC.

"We have a target to go into commercial production in November this year and setting up of the equipment is almost complete," he noted.

Regarding the investment, he said a significant percentage has come from an overseas lender. He did not state the name of the entity.

According to him, the company was using modern equipment, most of it from Germany and a very small portion from China, which adhered to environmentally friendly manufacturing processes and produced high-quality cement.

The expansion will turn Crown Cement PLC into the fourth largest cement manufacturer in Bangladesh in terms of annual production capacity, according to industry insiders.

Currently Shah Cement Ltd, a concern of Abul Khair Group, has the highest annual production capacity of 10 million tonnes, followed by Premier Cement Mills PLC (5.2 million tonnes) and Bashundhara Cement, a concern of Bashundhara Group (5 million tonnes).

vehicle after the first one. The amount is equal to the advance tax that a car owner has to pay to the state coffers.

The surcharge will double to Tk 50,000 for the second and subsequent vehicles that have an engine capacity of 1501cc to 2,000cc.

The tax authority considers slapping Tk 75,000 as the environmental protection surcharge on every second car, jeep or microbus with a capacity of 2,001cc to 2,500cc. The amount is equal to the withholding tax that a car owner has to pay during the renewal of the fitness of a vehicle.

The amount rises for the owners of vehicles with an engine capacity of more than 2,500cc, said officials.

For example, a person, company or firm that owns second or third cars over 3,000cc is likely to face Tk 200,000 as the environmental protection surcharge, which is 33 per cent higher than the advance tax levied on such vehicles.

In the case of possession of second cars or jeeps with 3,500cc and above engine capacity, the amount of

surcharge may be Tk 350,000, up 75 per cent from the withholding tax for the vehicle.

Officials said the tax authority may slap rules that the surcharge will have to pay during the registration or renewal of fitness of vehicles.

Ahmad Kamruzzaman Majumder, dean of the science faculty and the chairman of the Department of Environmental Science at Stamford University Bangladesh, welcomes the carbon tax move.

"This is a timely decision. Bangladesh has more than 57 lakh vehicles and Dhaka accounts for one-third of them. Every day new cars are hitting the streets of the capital although the city does not have the carrying capacity. It is needed to halt this and protect the environment," he said.

He said public transport, mainly buses, is polluting the environment more than personal cars. "But it is a good initiative to collect surcharges from rich taxpayers."

The surcharge that will be collected should be used to cut carbon emissions, he added.

Premier Cement to get Tk 350cr loan from Idcol

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Of the total investment, the company spent Tk 800 crore for establishing the Narayanganj unit and Tk 500 crore for the Chattogram unit.

Standard Chartered Bank, Pubali Bank and City Bank provided 70 per cent of the cost as loans while a Danish bank gave another \$35 million, or Tk 280 crore, for the purchase of capital machinery.

Haque said they will repay the earlier loans with the funds from Idcol as they were short-term financing.

"We will get time of 10 years to repay the Idcol loan as the state-

owned lender provides such facilities for green factories," he added.

Haque claims the expansion in their annual output from 2.4 to 5.2 million tonnes is a record for a single entity in the country.

Idcol is providing long-term financing to expand the capacity of Premier Cement through a vertical roller mill (VRM).

Premier Cement has increased its capacity at the existing ball mill facility to 19,040 tonnes per day from 8,000 tonnes previously by adding the VRM.

The new VRM unit began commercial operation in July 2022.