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Firms with over Tk 2cr turnover likely under NBR scanner

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Partnership firms, registering more than Tk 2 crore in annual turnover, are expected to require the submission of an audited financial statement along with returns as the tax authority seeks to include the provision in the new income tax bill.

Also, the association of persons and operators of various types funds will also need to file audited financial statements alongside income tax returns, according to the Income Tax Bill 2023 placed by Finance Minister AHM Mustafa Kamal in parliament last week.

A senior official of the National Board of Revenue (NBR) yesterday said it proposed including the

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A section of the country's first electricity-powered metro rail spanning 21.26 kilometres from Uttara to Kamalapur in the capital which is being built at a cost of Tk 33,472 crore, some about 60 per cent of which is being provided by Japan in soft loans. Once complete, Mass Rapid Transit (MRT) Line-6 will be capable of carrying around 4.83 lakh people a day. A single trip will take 38 minutes, down from at least two hours on other modes of transport. A 12-km section from Uttara to Agargaon has been initially opened in December last year. Another section from Agargaon to Motijheel is expected to be inaugurated in November this year whereas the remaining portion by June 2025. The photo was taken at Farmgate on Sunday.

PHOTO: PRABIR DAS

Farm mechanisation push missed in budget

Says ACI agribusiness MD

STAR BUSINESS REPORT

Agricultural mechanisation has increased in Bangladesh. But it is mostly limited to some crops grown in large areas such as rice and there is a need to push for its expansion in horticulture, aquaculture and dairy farming.

"We need milking machines, fish aerators and garden tractors. There is a need for state intervention in terms of policy support or subsidy for machine-driven farming," said F H Ansarey, managing director of the agribusiness division of ACI Ltd.

"...but we have not seen any intervention in these areas in the proposed budget. Subsidy should have been given in these areas to expand coverage of mechanisation. This is necessary to attract youths to agriculture," he said.

Ansarey, who has been in agribusiness for more than four decades, made the observation in an interview with The Daily Star yesterday on the proposed budgetary measures for the farm sector for fiscal year 2023-24.

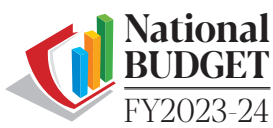
The finance ministry proposed increasing the overall allocation for agriculture, including fisheries, livestock, land, water resources and environment, by nearly 4 per cent to Tk 43,700 crore for the coming fiscal year beginning from July from the outgoing fiscal's proposed outlay.

The increase of the allocation amidst the ongoing economic downturns was a good initiative, said Ansarey.

It is also commendable that the government is going to continue subsidies for agriculture and farm machinery to boost production, he said.

"But the food value chain is yet to be fully established. As such, prices fluctuate and both farmers and consumers are deprived of selling and buying foods at fair prices," he said.

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F H Ansarey

High time to reduce demand, tackle inflation head-on

Economists say at post-budget conference of BIDS

STAR BUSINESS REPORT

The government should target reducing demand through ensuring market-based interest and exchange rates as well as cutting allocation for infrastructure projects to rein in inflation and protect the foreign currency reserves, said economists yesterday.

Sadiq Ahmed, a former chief economist for South Asia at the World Bank, said blaming the sustained inflationary spike on global inflation and the Ukraine war is politically convenient but not entirely based on facts.

"While the origins of the domestic inflationary pressures lay in those external sources, they have been sustained for so long owing to the absence of adequate demand management policies."

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

Ahmed made the comments while making the keynote presentation at a seminar -- Four key challenges for the national

budget 2023-24: some reflections -- organised by the Bangladesh Institute of Development Studies (BIDS).

The central bank has maintained a cap on lending rates since April 2020, a move that has prevented the country from using the potent

banks and send the profits back as remittances.

This rate arbitrage leads to a further decline in US dollar liquidity in banks and parallel exchange rates discouraged the inflow of foreign currencies, said the World Bank in a report recently.

In Bangladesh, inflation has been running high for the past one year, surging 9.94 per cent in May, the highest in at least one decade.

Ahmed said the proposed budget for FY2023-24 will face four key challenges when it comes to implementation.

The challenges are restoring macroeconomic stability, the challenge of revenue mobilisation, prudent financing of the budget deficit, and protecting social sector spending.

Ahmed, also the vice-chairman of the Policy Research Institute of Bangladesh, said the budget for the ongoing fiscal year has failed to anticipate the depth of the macroeconomic crisis and ended up without securing any sustained

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Mobile production declines sharply in April

MAHMUDUL HASAN

Local production of mobile phones declined substantially in Bangladesh in April as manufacturers grappled with a massive drop in sales amidst the grey market's expansion.

About 14.78 lakh units of phones were manufactured in the month, a drop of 56.28 per cent year-on-year.

Feature phones accounted for 54.67 per cent while smartphones the rest, according to the latest data from the Bangladesh Telecommunication Regulatory Commission (BTRC).

Although the 6.68 lakh smartphones produced in April was the highest in six months, it was down 47.11 per cent compared to the same month a year earlier, highlighting the dire situation the local device manufacturers were in.

Production of 4G smartphones plummeted by over 61 per cent year-on-year in the first quarter of this year.

Industry people said there were multiple factors that led to the crisis, which they are terming "the battle of existence".

Due to the taka's sharp depreciation against the US dollar, import costs have increased. Moreover, there is a shortage of the greenback, making it challenging to open letters of credit.

High inflation, which is running at a decade high, has further reduced the purchasing power of smartphone enthusiasts.

Mobile sales experienced a year-on-year drop of more than 40 per cent in the first quarter of 2023 due to the economic slowdown, said industry people.

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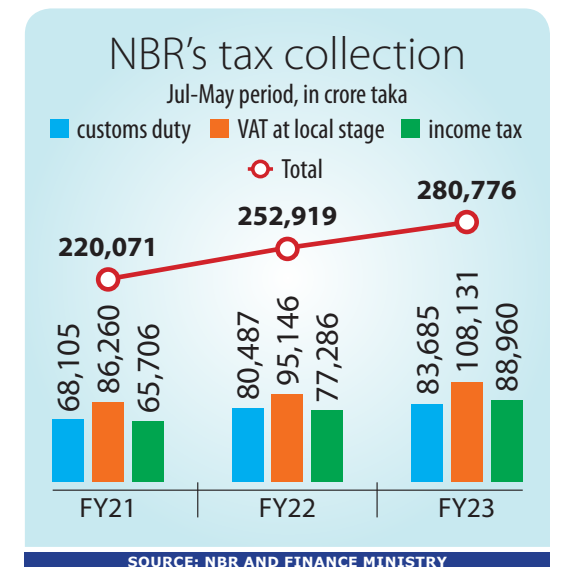
Sales of mobile phones dropped more than 40 per cent year-on-year in the first quarter of 2023. People in the industry blame a rise in import costs for the taka's depreciation against the US dollar, challenges in opening letters of credit for a shortage of the greenback and high inflation reducing the purchasing power of smartphone enthusiasts.

PHOTO: STAR

Tax collection rebounds in May But NBR still likely to miss target, experts say

SOHEL PARVEZ

Tax collection by the National Board of Revenue (NBR) shot up in May, powered by buoyancy in value added tax (VAT) collection from domestic economic activities and increased income tax receipts, according to a provisional estimate.



Taxmen collected Tk 30,481 crore in May, which drove the overall growth of revenue collection up by 11 per cent year-on-year in the July-May period of the current fiscal.

With the recovery in collection last month after a fall in April, overall revenue receipts stood at Tk 280,776 crore, which shows that the NBR will have to collect Tk 89,224 crore to meet its revenue goal of Tk 370,000 crore during this financial year.

"That means there will be a big shortfall from the target," said Mohammad A Razaque, director of the PRI Study Centre on Domestic Resource Mobilisation (CDRM).

The tax administration will be able to collect a maximum of Tk 320,000 crore this fiscal year. As a result, the revenue collection target of Tk 430,000 crore for next fiscal year will be very high, he added.

If so, this would be the 11th consecutive year the NBR would miss the tax collection targets set by the government, data from the finance ministry showed.

The NBR's preliminary data showed that taxmen collected 15 per cent higher taxes year-on-year to Tk 88,960 crore during the current fiscal.

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STOCKS	
DSEX ▼	CASPI ▼
0.48%	0.49%
6,310.59	18,650.33

COMMODITIES	
Gold ▼	Oil ▼
\$1,949.95	\$67.46
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.16%	▲ 0.52%	▲ 0.29%	▼ 0.08%
62,724.71	32,434.00	3,196.07	3,228.83

TCB's sugar, lentil, soybean oil sales begin

STAR BUSINESS REPORT

State-run Trading Corporation of Bangladesh (TCB) will start selling essential commodities at subsidised rates from today to one crore family cardholders.



Sugar and lentil will be sold at Tk 70 per kilogramme while soybean oil will be sold at Tk 100 per litre, according to a press release of the TCB.

Under the month-long activity, the three commodities will be sold through 6,700 designated dealers across the country, including 1,100 in Dhaka.

The family cardholders have to go to the designated distributors' store to purchase their desired products.