

## Meena Bazar opens 3 outlets

STAR BUSINESS DESK

Retail chain Meena Bazar has gone through further expansion, launching three new outlets at Uttara 3, Uttara 4 and Nazimuddin Road in Dhaka yesterday.

Kazi Inam Ahmed, director of Gemcon Group, its parent company, inaugurated the Uttara outlets while investors Md Kamruzzaman and Md Mokhlatur Rahman opened the one on Nazimuddin Road, said a press release.

The company has been operating in Bangladesh since 2002. With the new ones, the company now has 26 outlets across Dhaka and Chattogram.

Ahmed Shoyeb Iqbal, chief operating officer of expansion, brand and online, Md Razibul Hasan, expansion and corporate sales general manager, and Shameem Ahmed, chief operating officer of operations, and other officials were also present.

## Poorer nations will cut food imports for price hike: UN

AFP, Paris

High food prices will prompt poorer nations to cut back on food imports this year, the UN's Food and Agriculture Organization said Thursday.

Global production of maize, milk and meat has increased this year, allowing developed nations to ramp up their own food imports, the FAO said in its biannual global Food Outlook report.

But imports in the world's 47 least developed countries, mainly in Africa, will fall 1.5 per cent, the FAO said. The drop will be closer to five per cent in developing countries that are net food importers, including Turkey, Egypt and Pakistan, highlighting a fall in purchasing power, it said.

Russia's invasion of Ukraine, a major grain exporter, sent food and energy prices soaring last year.

Although cereal and cooking oil have fallen off their peaks from March last year, they remain elevated, the FAO said.

Prices for fruit, vegetables and dairy products are continuing to rise, curbing demand.

The global food import bill will hit a record \$1.98 trillion this year, up 1.5 per cent on 2022, but volume will be lower due to the higher prices, the FAO said.

Lower international prices for a number of primary food items have not translated into lower prices in supermarkets, suggesting "cost-of-living pressures could persist in 2023", the FAO said.



A farmer tends to vine crops such as bottle gourd and okra growing on a string trellis overhanging a pond along the edges, increasing utility of a space whose use would otherwise be simply limited to fish cultivation. The photo was taken at Shahapur of Rangpur union in Khulna's Dumuria upazila recently.

PHOTO: HABIBUR RAHMAN

# Income tax bill business-friendly

ICAB says

STAR BUSINESS REPORT

The proposed Income Tax Bill 2023 is investment and business friendly in many ways, according to the Institute of Chartered Accountants of Bangladesh (ICAB).

"It introduced many new areas of admissible expenses for tax determination apart from widening the cap on expense limit," said Md Moniruzzaman, president of ICAB.

He yesterday made this remark while speaking at a webinar on the "Draft Income Tax Act 2023 and Salient Features of Finance Bill 2023-2024".

Moniruzzaman said the measure to implement automation in the appeal, tribunal, return filing and assessment handling processes would reduce the arbitrary powers of tax officials.

Other changes were also included in the proposed income tax act, including the imposition of an environment surcharge.

"The constant current or kilowatt-

based environmental surcharges on multiple vehicles are expected to protect our environment and reduce hectic traffic congestion," he added.

And to promote local manufacturing of import substitutes and reduce the related tax burden, VAT exemption in excess of 5 per cent at the production stage of optical fibre cable is a good measure.

The ICAB president went on to say the government needs to be pragmatic in addressing certain challenges, such as restoring macroeconomic stability, revenue mobilisation, financing the budget deficit and protecting social spending.

"If the government fails to address them properly, it may destabilise the macroeconomy," he said.

Moniruzzaman believes that despite the existing challenges, this "timely budget" can be implemented.

The government needs to take further steps to expand the existing tax net while implementation of the document verification system will help achieve the

targeted revenue, he said.

However, Nasiruddin Ahmed, former chairman of the National Board of Revenue (NBR) criticised the move to increase the net wealth surcharge to Tk 4 crore from Tk 3 crore.

"Are we trying to make rich people richer through this new rule?" Ahmed said.

He also urged for reducing the tax benefits extended to garment makers seeing as it is not sustainable for the government to provide such facilities for long.

Apurba Kanti Das, ex-member (income tax) of the NBR, said the government formulated the income tax bill in a way that should make it easily understandable for all.

Md Humayun Kabir, former president of ICAB, MBM Lutful Hadee, council member, Md Farid Uddin, ex-member (customs and VAT) of NBR, and Snehasish Barua, partner of Snehasish Mahmud & Co. Chartered Accountants, also spoke at the event.

## Focus on making apparel

FROM PAGE B1

It was organised by Bangladesh Apparel Exchange in collaboration with Laudes Foundation and in partnership with P4G. The summit was powered by GIZ, Embassy of the Netherlands in Bangladesh and H&M Group.

Among the speakers was AK Azad, chairman and chief executive officer of Ha-Meem Group, a leading garment exporter who launched a recycled materials production factory at Maona six months ago.

The demand for such items is on the rise as the EU retailers and brands have to follow the EU due diligence law, he said.

"Currently, I have been producing 8 tonnes to 10 tonnes of yarn in a month at the factory from the recycled materials," Azad told The Daily Star over the phone.

"I have been setting up new machinery to take the production of such yarn to 50 tonnes per month within the next one year," he said.

Azad said he has been exporting garment items made from recycled materials to India. He also said the cost of production from recycled materials was relatively low as virgin cotton was not used here.

In the near future, Azad plans to produce denim items from recycled yarn and fabrics to meet the demand and grab a bigger market share.

## HC reconstitutes

FROM PAGE B4

The liquidation process began after the board of the PLFSL informed the BB in April 2019 about its inability to pay back depositors' money in spite of their deposits reaching maturity.

In continuation of legal procedures, the same HC bench in July 2021 threw a lifeline to the PLFSL through constituting its board of directors, thus saving it from potential liquidation and also issued several directives on the board, borrowers, and the Anti-Corruption Commission to smoothly run the company.

## 11 banks facing

FROM PAGE B1

Default loans increased by Tk 10,964 crore in the first three months of 2023 to Tk 131,621 crore. The non-performing loans (NPLs) in the banking sector increased by 9 per cent from three months ago and 16 per cent from a year earlier.

The ratio of NPLs stood at 8.8 per cent of the outstanding loans as of March, up from 8.16 per cent in December and 8.53 per cent in the same month last year.

Banks have to set aside a large amount of provisioning against the defaulted loans, which ultimately hit their capital base.

"Both the government and the central bank should take concerted efforts to lower the capital shortfall," said Mansur, also a former official of the International Monetary Fund.

The government should inject capital into the state-run banks since it is the owner of them, he said.

"But such an injection has a negative impact as funds will come from the pockets of the common people. So, the central bank should sit with the private banks facing the capital shortfall to formulate a strategy to improve their situation."

"But no formula will work unless corporate governance is strengthened."

The banks weighed down by the capital shortfall have played a major role in deteriorating the capital base in the entire banking sector.

The capital base eroded in March compared to December, so the capital adequacy ratio (CAR) shrank to 11.23 per cent in contrast to 11.82 per cent.

The CAR, also known as the capital-to-risk-weighted assets ratio, measures a bank's financial strength by using its capital and assets. It is used to protect depositors and promote the stability and efficiency of financial systems.

The capital base of the banking industry in Bangladesh is also weaker than its peers in South Asia, according to the Bangladesh Bank's Financial Stability Report.

In 2021, banks in Pakistan maintained a capital adequacy ratio of 18.7 per cent, while it was 16.5 per cent in Sri Lanka, and 16.6 per cent in India. "If a bank faces a capital shortfall,

## HSBC, CCCI bring stakeholders working 'Together for Climate'

STAR BUSINESS DESK

The Hongkong and Shanghai Banking Corporation Limited (HSBC) and the Chittagong Chamber of Commerce & Industry (CCCI) jointly hosted "Together for Climate", an initiative dedicated to address the pressing challenges of climate change and fostering environmental sustainability, in Chattogram on Wednesday.

The British multinational bank aims to play a transformative role in creating a sustainable future for its customers, employees and the community it serves, said a press release.

The event brought together individuals, communities, organisations and governments from all corners of the globe to work collectively towards a greener and more sustainable future for generations to come.

Md Shahab Uddin, minister for environment, forest and climate change, Mahbul Alam, president of the CCCI, Yuji Ando, country representative of JETRO Bangladesh, Ian J Tandy, head of global trade and receivables finance for South and South East Asia at HSBC, Md Mahub ur Rahman, chief executive officer of HSBC Bangladesh, Md Showkat Ali Chowdhury, chairman of ABC Group, Mohammad Zahirul Islam, director of PHP Group, and AKM Fazlullah, managing director of Chattogram WASA, were present.

from all corners of the globe to work collectively towards a greener and more sustainable future for generations to come.

Md Shahab Uddin, minister for environment, forest and climate change, Mahbul Alam, president of the CCCI, Yuji Ando, country representative of JETRO Bangladesh, Ian J Tandy, head of global trade and receivables finance for South and South East Asia at HSBC, Md Mahub ur Rahman, chief executive officer of HSBC Bangladesh, Md Showkat Ali Chowdhury, chairman of ABC Group, Mohammad Zahirul Islam, director of PHP Group, and AKM Fazlullah, managing director of Chattogram WASA, were present.

The event brought together individuals, communities, organisations and governments from all corners of the globe to work collectively towards a greener and more sustainable future for generations to come.

Md Shahab Uddin, minister for environment, forest and climate change, Mahbul Alam, president of the CCCI, Yuji Ando, country representative of JETRO Bangladesh, Ian J Tandy, head of global trade and receivables finance for South and South East Asia at HSBC, Md Mahub ur Rahman, chief executive officer of HSBC Bangladesh, Md Showkat Ali Chowdhury, chairman of ABC Group, Mohammad Zahirul Islam, director of PHP Group, and AKM Fazlullah, managing director of Chattogram WASA, were present.

The event brought together individuals, communities, organisations and governments from all corners of the globe to work collectively towards a greener and more sustainable future for generations to come.

Md Shahab Uddin, minister for environment, forest and climate change, Mahbul Alam, president of the CCCI, Yuji Ando, country representative of JETRO Bangladesh, Ian J Tandy, head of global trade and receivables finance for South and South East Asia at HSBC, Md Mahub ur Rahman, chief executive officer of HSBC Bangladesh, Md Showkat Ali Chowdhury, chairman of ABC Group, Mohammad Zahirul Islam, director of PHP Group, and AKM Fazlullah, managing director of Chattogram WASA, were present.

The event brought together individuals, communities, organisations and governments from all corners of the globe to work collectively towards a greener and more sustainable future for generations to come.

Md Shahab Uddin, minister for environment, forest and climate change, Mahbul Alam, president of the CCCI, Yuji Ando, country representative of JETRO Bangladesh, Ian J Tandy, head of global trade and receivables finance for South and South East Asia at HSBC, Md Mahub ur Rahman, chief executive officer of HSBC Bangladesh, Md Showkat Ali Chowdhury, chairman of ABC Group, Mohammad Zahirul Islam, director of PHP Group, and AKM Fazlullah, managing director of Chattogram WASA, were present.

## Govt forced to borrow

FROM PAGE B1

from the internal source and Tk 1,02,490 crore from the external sector in FY24.

"If the weakness in revenue collection is not overcome, the pressure of this debt will continue to increase," said M Abu Eusuf, a professor of the development studies department at the DU.

Although tax collection by the National Board of Revenue shot up in May, powered by buoyancy in value-added tax collection from domestic economic activities and increased income tax receipts, the tax administration is set to miss its target for the entire financial year. If so, this would be the 11th consecutive year the NBR would fall short of the collection target.

Eusuf, also the director of the Centre on Budget and Policy, said the main challenge in the budget will be to rein in inflation.

"We will have to move forward carefully by combining the monetary policy and the fiscal policy."

He said if the allocation for any sector increases in the budget, the

spending has to be ensured. "At the same time, attention should be given to ensure that there is no corruption and irregularities in the implementation."

He said more allocations are needed for the social safety net sector to help the fixed-income groups and the poor cope with rising inflation, which stood at 8.95 per cent on average in May, way above the target of 7.5 per cent for FY23.

"In particular, food assistance programmes need to be strengthened."

Prof Md Akhtaruzzaman, vice-chancellor of the DU, said education and employment can't exist without each other.

"Therefore, the government has to pay more attention to this issue while allocating the budget."

Rashed Al Mahmud Titumir, chairman of the development studies department, said if the value of the dollar increases further, the suffering for most of the people in the country will be exacerbated.

"So, the government will have to do what it needs to do."

"So, the government will have to do what it needs to do."

"So, the government will have to do what it needs to do."

"So, the government will have to do what it needs to do."