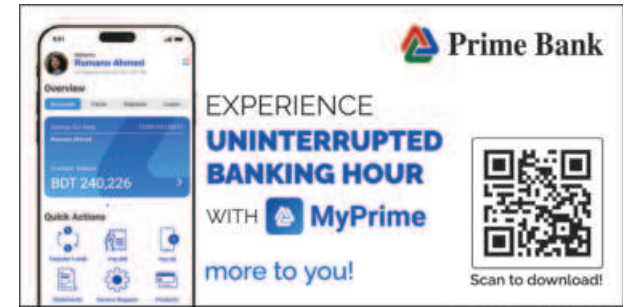


# star BUSINESS



## BB to roll out debit card for payments at home, in India

STAR BUSINESS REPORT

The central bank is going to roll out the country's own debit card by August to allow travellers to make payments at home as well as in India, said Bangladesh Bank Governor Abdur Rouf Talukder yesterday.

Under the current practices, travellers have to buy US dollars before travelling to India and convert them into the rupee when they are in the neighbouring country.

As a result, they face exchange rate losses twice, which could be as high as 6 per cent, said the governor while speaking at an event organised to launch the new monetary policy statement for the next financial year.

But the holders of the debit card named "Taka Pay Card" will be able to make payments against local bills as well as purchases in India

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Workers process wet blue leathers in line with the requirements of customers at a tannery at the Savar Tannery Industrial Estate recently. Despite availability of raw materials needed for the leather and leather goods industry, Bangladesh has not been able to elevate its exports from the sector because of a lack of Leather Working Group (LWG) certification. So, the country has to sell leather at lower rates and import rawhides from compliant factories in other countries to make products for developed markets.

PHOTO: PALASH KHAN

## ADP spending to miss targets by wide margin

MD ASADUZ ZAMAN

The government is set to miss its development spending target as well as the goal of raising the use of foreign loans by a large margin in the outgoing financial year, official figures showed.

Owing to the sharp fall in the foreign exchange reserve and limited fiscal space, the government had planned to speed up the execution of foreign-funded projects. It also prioritised government-funded projects and cut allocation.

But data from the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry showed that the government was able to spend Tk 52,788 crore in July-May of 2022-23, up only about 1 per cent from Tk 50,575 crore during the same period a year earlier.

But the target for the entire financial year is Tk 74,500 crore. This means the implementing agencies would have to go a long way in the last month of FY23 to reach the target.

**The government was able to spend Tk 52,788 crore in July-May of 2022-23 though the target for the entire year is Tk 74,500 crore**

The scenario is also the same in the case of the implementation of the overall annual development programme (ADP): overall development expenditure stood at Tk 146,021 crore in the first 11 months of FY23, down 3.11 per cent from a year ago.

"The situation has not changed," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, a think tank.

Although the government was supposed to utilise foreign funds more this financial year, the performance has not improved, he said.

"It's definitely a failure for us. But this is not a new problem. Rather, the trend has continued for a long time."

Had the government been able to accelerate the use of foreign loans when it comes to project implementation, it would have created a scope for the country to introduce more projects to be bankrolled by external finances.

Expenditures under the government-funded development rose to Tk 87,877 crore in July-May, up 3.67 per cent from Tk 84,760 crore a year ago.

In the first 11 months, the overall implementation rate of the ADP decreased by 3.11 percentage points to 61.73 per cent compared to the last year.

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## National BUDGET FY2023-24

### 'Policy support can help embellish cosmetics sector'

STAR BUSINESS REPORT

Bangladesh has a huge skincare and colour cosmetics market that is ruled by fake products and illegally imported items, said an official.

But comprehensive policy support could help the domestic industry grow as well as reduce its tax burden while bringing more revenue to the state coffers, said Ahsraf Ambia, managing director and chief executive officer of Remark HB Ltd, a skincare and colour cosmetics company.

Affiliated with Remark LLC, USA, Remark HB is setting up a manufacturing facility at Dhaka's southern district Munshiganj to produce hygiene, beauty and colour cosmetic products with an aim to go global apart from catering the growing domestic market.

Ambia, citing various estimates, said the overall skincare, cosmetics and toiletries market is worth around Tk 25,000 crore annually.

Over 4 crore consumers, especially women, use skincare and colour cosmetics such as lotion, facewash, lipstick and nail polish in Bangladesh.

But a large portion of these products are not made here and most of the items are brought through illegal imports, he added.

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REFAYET ULLAH MIRDOHA

Rawhide traders and farmers at the grassroots level are expected to receive better prices from the sale of animal skins during the upcoming Eid-ul-Azha as the business outlook for leather and leather goods for 2023 is still bright despite the lingering uncertainty at home and abroad.

Besides, tanners have paid a major portion of the arrears built up over the last several years, which had put rawhide traders in a corner financially. With the payments, the year-long problem related to the supply of funds in the sector is being resolved.

The arrears have slipped below Tk 100 crore as many tanners have either cleared their past payments in full or to a large extent, said Aftab Khan, president of the Bangladesh Hide and Skin Merchants' Association.

"The flow of funds is better this year," he said, adding that the arrears stood at Tk 110 crore last year.

"We hope a major portion of

the remaining arrears will be paid before Eid-ul-Azha," said Khan.

According to the business leader, stakeholders in the leather sector held a meeting with the commerce ministry and discussed the arrears issue.



Officials of the ministry have also asked the tanners to complete the payments before the festival so that grassroots traders can buy rawhides.

Eid-ul-Azha accounts for nearly half of the rawhide produced annually in Bangladesh. And tanneries, which are mostly located in Savar and Chattogram, rely on local suppliers for the skins of the animals sacrificed.

Quoting data from the livestock ministry, Khan said 1.30 crore animals are ready to be sacrificed

this year. They will include 85 lakh cows and 15 lakh goats, buffaloes and lambs.

The sector is expecting loans amounting to Tk 180 crore this year, according to Shaheen Ahmed, chairman of the Bangladesh Tanners' Association.

He says the old stock of tanned rawhides is almost finished since demand has been high both from domestic and international leather and leather goods manufacturers and suppliers.

In the July-May period of the current fiscal year, Bangladesh exported leather and leather goods worth \$1.12 billion, registering a year-on-year growth of 0.42 per cent, data from the Export Promotion Bureau showed.

The performance of the second-largest foreign currency earner for Bangladesh after garments has remained positive despite the cost-of-living crisis in western nations.

Ahmed said the export from the leather and leather goods sector could rise thanks to the recovery of the western economies from

READ MORE ON B2

## Income tax bill passed

STAFF CORRESPONDENT

The Income Tax Bill 2023 was passed in parliament yesterday, replacing The Income-tax Ordinance 1984.

Finance Minister AHM Mustafa Kamal placed the bill which was passed by voice votes.

While the previous one was in English, provisions in the new law have been converted into simple Bangla and made more contemporary aligned with international best practices, applicable from the upcoming fiscal year.

Currently, the government is collecting direct tax under the ordinance. There was a full-fledged income tax act in 1922.

There are 348 sections in the new law, following which businesspersons can easily submit their income tax returns.

A mathematical formula has been introduced in the law to help taxpayers determine their tax. The law also helps taxpayers submit their income tax returns online.

As per the law, no tax deducted in advance from interest earned from securities would be considered for refund or to be carried forward.

Tax will be imposed on the interest amount disbursed by mobile financial services.

Audited financial statements have to be submitted by firms, associations of persons and funds having an annual turnover of over Tk 3 crore.

Taxpayer identification numbers can be de-registered for citizens who have no taxable income, left the country or passed away.

Except life insurance, premium income of other insurances, up to 10 per cent, is currently considered "allowable expenses".

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PHOTO: MD ASADUZ ZAMAN

A section of the income tax lawyers of Dhaka Taxes Bar Association who staged a demonstration in front of the National Board of Revenue headquarters at Agargaon in Dhaka for a couple of hours yesterday demanding cancellation of a newly announced draft tax return preparer rule.

## Income tax lawyers protest draft rule

STAR BUSINESS REPORT

Dhaka Taxes Bar Association staged a demonstration and besieged the National Board of Revenue (NBR) building at Agargaon in Dhaka for a couple of hours yesterday demanding cancellation of a newly announced draft tax return preparer (TRP) rule.

They also termed it a "black law" and "harmful" for the state's revenue mobilisation initiatives.

The policy is on providing an incentive to individuals, to be named "TRPs", who would help new taxpayers file their tax return in a bid to increase compliance and narrow the gap between registered taxpayers and regular return filers.

The NBR will issue TRP certificates to people who pass a Tax Aptitude & Accounting Test. The TRPs will only help taxpayers prepare their tax returns

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## Parveen Mahmud wins ‘Women Global Awards 2023’

STAR BUSINESS DESK

Parveen Mahmud, the first female president of the Institute of Chartered Accountants of Bangladesh (ICAB), won the “Top 50 Women Global Awards Sri Lanka 2023” in the category of “Leadership in Finance and Accounting” for her remarkable achievements and dedication to the profession in and beyond the border.

Parveen received an award from Sulochona Segera, founding chairperson of the Women in Management (WIM) for Sri Lanka, the Maldives, the UAE and Canada, at Shangri-la Hotel in Colombo, Sri Lanka on Saturday, said a press release.

She is the only female leader from Bangladesh to have received the award.

A panel of judges selected Parveen Mahmud, who is identified as one of the Top 50 women leaders in the world, for her hard work, perseverance, and commitment to the excellence in work, which have made a positive impact on various sectors of the economy of the country and the lives of millions of women.

She was the founding chairperson of CA Female Forum-Women in Leadership Committee at the ICAB and the vice-chairperson of the Women in Leadership Committee of the South Asian Federation of Accountants (SAFA), the apex accounting professional body of the South Asian Association for Regional Cooperation till 2019.

She is the chairperson of RDRS Bangladesh, Shasha Denims Limited, Underprivileged Children's Educational Programmes (UCEP)-Bangladesh, the Micro Industries Development Assistance and Services (MIDAS), and the Acid Survivors Foundation.

The WIM in collaboration with Women in Work has selected the top 50 female professionals among the 500 nominations from 33 countries for the Women Global Awards 2023.

Among others, Dinesh Gunawardena, prime minister of Sri Lanka, Aishath Mohamed Didi, minister for gender, family and social services, and Anne Aly, federal minister for early childhood education and minister for youth in labour of Australia, were present.



**Parveen Mahmud, former president of the ICAB, holds an award of the “Top 50 Women Global Awards Sri Lanka 2023” in the category of “Leadership in Finance and Accounting” for her remarkable achievements and dedication to the profession in and beyond the border at Shangri-la Hotel in Colombo, Sri Lanka on Saturday.**

PHOTO: ICC BANGLADESH



**Md Mehmood Husain, managing director of National Bank, delivers a lecture at a “Town Hall Meeting 2023” of the bank for its branch managers and executive officers of Sylhet region at a local hotel in Sylhet on Saturday. Among others, Sheikh Akhter Uddin Ahmed, senior executive vice-president, Krishna Kamal Ghose, executive vice-president, and AKM Salah Uddin Khan, senior vice-president, were present.**

PHOTO: NATIONAL BANK



**Mollah Fazle Akbar, vice-chairman of Union Bank, presides over its 10th annual general meeting, which was held virtually last week. Shareholders approved 5 per cent cash dividend for the year that ended on December 31, 2022. ABM Mokammel Hoque Chowdhury, managing director of the bank, along with directors and shareholders joined the meeting.**

PHOTO: UNION BANK

## Twitter to focus on video, commerce in business revamp

REUTERS

Twitter plans to focus on video, creator and commerce partnerships to revitalise the social media company's business beyond digital advertising, according to an investor presentation by owner Elon Musk and new Chief Executive Linda Yaccarino that was reviewed by Reuters.

Yaccarino, who started as CEO on June 5, told Twitter investors on Thursday that the company is in early conversations with political and entertainment figures, payments services and news and media publishers on potential partnerships, said a source familiar with the matter, who spoke on condition of anonymity to discuss a private investor call.

The presentation was Yaccarino's first time addressing the company's investors, the source said.

After Musk acquired Twitter in October, the social media firm faced months of

chaos, including layoffs of thousands of employees, criticism over lax content moderation, and an exodus of many advertisers who did not want their ads appearing next to inappropriate content.

Musk's hiring of Yaccarino, a longtime advertising executive who modernised ad sales at Comcast-owned entertainment and news conglomerate NBCUniversal, was a signal that digital ads remained a priority for Twitter.

Some ad buying firms had recommended their clients pause ad spending on Twitter after Musk's takeover. Those recommendations have been reversed and none of the major advertising holding companies are currently recommending a pause, according to a slide shown during the presentation.

Well-known brands including Warner Bros, Mondelez, McDonald's and Walmart have resumed advertising on Twitter after initial pauses, the slide said.

## Mitsubishi's Xpander 2023 now available at Tk 44.50 lakh

STAR BUSINESS DESK

Rangs Limited, a distributor of Japanese automaker Mitsubishi Motors in Bangladesh, has launched a brand-new “Xpander 2023” in the local market at a price of Tk 44.50 lakh ahead of Eid-ul-Azha.

This stylish seven-seater family car is now available at Mitsubishi's Dhaka and Chattogram outlets, said a press release.

The company will give three free servicing sessions along with a five-year or 100,000-kilometre warranty benefits for buyers.

This limited-time offer comes with ready stock availability.

“We are pleased to offer a special Eid offer on the new Mitsubishi Xpander to make Eid more enjoyable for our customers,” said Mohammad Fahim Hossain, head of marketing at Rangs Limited.

“With its aesthetic design, cutting-edge features, high performance, and high ground clearance, we are hopeful that the car will gain more traction in the country's family car segment and as an official vehicle,” he added.

The Xpander 2023 is the ultimate choice for families and businesses, boasting modern features and a sleek, aggressive design.

As the authorised distributor of Mitsubishi Motors Bangladesh, Rangs Limited invites customers to book a test drive by calling their hotline at 09666704704.

## Yen sags to 15-year low vs euro

REUTERS, New York

The yen plunged to a 15-year low against the euro on Friday after the Bank of Japan (BOJ) kept its ultra-low interest rate policy and forecast that inflation will slow later this year, in contrast with the European Central Bank's (ECB) rate hike on Thursday.

The Japanese unit also fell against the greenback, dropping to a six-month trough.

As widely expected, the BOJ maintained its -0.1 per cent short-term rate target and a 0 per cent cap on the 10-year bond yield set under its yield curve control (YCC) policy.

BOJ Governor Kazuo Ueda said he expects inflation to moderate, but the “pace of decline is somewhat slow.”

The yen fell broadly following the decision and hit a fresh 15-year low of 155.22 per euro. It was poised for its biggest weekly decline against the euro in three years. The euro was last up 1.1 at 155.16 yen.

The dollar rose 1.1 per cent against the Japanese currency to 141.795, after earlier touching its highest since November. It was on pace for its largest daily percentage gain since late April.

“The Bank of Japan added fuel to that dollar fire today by being on hold again,” said Erik Bregar, director, FX & precious metals risk management at Silver Gold Bull in Toronto.

## Iran's oil exports hit 5-year highs

REUTERS, London

Iran's crude exports and oil output have hit new highs in 2023 despite US sanctions, consultants, shipping data and a source familiar with the matter, adding to global supply when other producers are limiting output.

Tehran's oil exports have been limited since former US President Donald Trump in 2018 exited a 2015 nuclear accord and reimposed sanctions aimed at curbing oil exports and the associated revenue to Iran's government.

Even so, exports have risen during the term of his successor

President Joe Biden. Iranian and Western officials have said the US is holding talks with Iran to sketch out steps that could limit the nuclear programme.

Iranian crude exports exceeded 1.5 million barrels per day (bpd) in May, the highest monthly rate since 2018, according to Kpler, a provider of flows data. They were around 2.5 million bpd in 2018, before the US withdrawal from the nuclear deal.

Iran said in May it has boosted its crude output to above 3 million bpd. That's about 3 per cent of global supply and would be the highest since 2018, according to

figures from the Organization of the Petroleum Exporting Countries (OPEC). A source familiar with the matter told Reuters earlier this month output was still at this level.

The International Energy Agency this week put Iran's May production at 2.87 million bpd, close to Iran's official figure.

The rise from Iran comes as Opec+, which includes Opec, Russia and other allies, is cutting output to support the oil market, where expectations that economic weakness will dent demand have pressured prices.

Other analysts say Iran's production and exports have risen.

SVB International, a consultant, estimates crude production hit 3.04 million bpd in May, up from 2.66 million bpd in January. Exports of crude and condensate were 1.93 million bpd in May.

“Sanctions are in place but perhaps they are not fully implemented or monitored,” said Sara Vakhshouri of SVB, who has previously said during Biden's term there hasn't been any serious crackdown or action against Iran's oil exports.

“Also, all of these supply volumes are in the dark market, where there is no transparency and so they are not reflected in formal global supply and export data.”

## Boeing boosts 20-year outlook for planes

REUTERS, Paris

US planemaker Boeing slightly raised its annual 20-year forecast for new jetliner deliveries, propelled by the strength of the narrowbody market fueled by demand from low-cost carriers.

Boeing expects airlines will need to buy 42,595 jets from now until 2042, up from 41,170 planes in its previous 20-year forecast last year.

The latest projection -- released on Sunday ahead of the Paris Airshow -- is still lower than the 43,610 new jets that were predicted as part of the market outlook in 2021, when Russian aircraft demand was factored in.

Boeing expects that narrowbody jets like its 737 MAX or the A320neo family made by European rival Airbus will dominate aircraft deliveries, with 32,420 single-aisle jets delivered through 2042.

That demand will be driven by low-cost carriers, which are slated to double the size of their current fleets,



**A Boeing 787-10 Dreamliner taxis past the Final Assembly Building at Boeing South Carolina in North Charleston.**

PHOTO: REUTERS/FILE

said Darren Hulst, Boeing's vice president of commercial marketing, during a briefing with reporters ahead of the report's release.

Deliveries from now until 2042 are also expected to include 7,440 widebody planes, 1,810 regional jets and 925 freighters. About half of

new jet deliveries will replace older models, while the other half will grow airlines' fleets, Boeing predicts.

“The end of the recovery has played out largely as we've expected, with a few different nuances and dynamics,” such as a reduction in demand for regional jets compared

to last year as interest in narrowbody planes grows, Hulst said.

Boeing expects the global aircraft fleet to almost double over the next 20 years, from about 24,500 jets in 2022 to 48,600 by 2042. Last year's outlook predicted a global fleet of 43,470 aircraft in 2041.

The company also raised its industrywide passenger traffic forecast growth rate slightly from 3.8 per cent to 4 per cent. And while the air cargo market is taking “a little bit of a breather,” the estimated 3 per cent annual growth in trade over the next 20 years will provide a tailwind for future demand, Hulst said.

“I think we'll again see how resilient the demand for air cargo is because it's consistently around 3.5 per cent to 4 per cent growth,” he said.

Although Chinese air traffic remained depressed in 2022, Hulst said Boeing remains “very bullish” on China, which will make up 20 per cent of the market, with the rest of Asia making up another 22 per cent of demand.

## BB to roll out debit card

FROM PAGE B1

within their travel quota limit as it will be tagged with the rupee, he said.

Banks and financial institutions will issue the card.

Talukder said the card will allow Bangladeshis to save a huge amount of money since a lot of people travel to India for health, tourism and religious purposes.

The Indian High Commission in Bangladesh issued 15 lakh visas to Bangladeshis last year.

So, if Bangladeshi travellers can make payments using the debit card for purchases in India, it would give a boost to the foreign exchange reserve, which has come under strain owing to higher import bills.

The issue of currency arrangements with China and India also came up at the press conference.

Talukder said Bangladesh has not gone for any currency swap with China and India.

He said the Chinese yuan is a reserve currency approved by the International Monetary Fund.

In 2016, China's yuan was added to the IMF's basket of reserve currencies.

As a result, the yuan joined the US dollar, the euro, the yen and British pound in the special drawing rights basket.

“So, we have told banks that if there is a demand, they can open LC (letter of credit) in the yuan. It has nothing to do with the currency swap,” said the governor.

He said Bangladesh is looking to carry out trades with India in the rupee up to the level that is covered by the export earnings from the country.

Bangladesh's imports from India far outweigh exports to the country. Its exports to the country stand at \$2 billion currently against imports of \$18 billion through official channels.

But if the trades through the unofficial channel are added, imports would go up to \$27 billion, said Talukder.

“But the availability of the rupee is low. So, we are trying to execute trades in the Indian currency. This will allow us to minimise exchange rate losses.”

None of the arrangements with China and India are part of any currency swap, he said.

## Rawhide traders

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the severe fallout of Covid-19 and easing inflation.

“This year, the prospect for the rawhide business is better.”

Md Saiful Islam, a former president of the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh, says the leather and leather goods industry has the capacity to be a multibillion-dollar industry if the Leather Working Group (LWG) certification can be obtained because of the availability of raw materials locally.

The Group is a collaborative initiative between footwear, apparel and upholstery brands and leather manufacturers. And in the absence of accreditation, Bangladeshi suppliers have to export leather mainly to China

at rates that are much lower than the going rates in the international markets.

Only a handful compliant manufacturers can use locally processed hides to produce goods for the export markets. This means finished goods exporters have to import rawhides from LWG-certified factories in other countries to ship products to developed markets.

The situation could change for the better once Bangladesh makes the central effluent treatment plant (CETP) at the Savar Tannery Industrial Estate fully operational.

Aftab Khan said the higher price of salt is a major concern for them.

The price of the ingredient has increased to Tk 1,200 per sack, which holds 74 kilograms of salt, from Tk 900 last year.





Vessels are seen docked at a jetty of Payra port, where operations have slowed down following the closure of Payra 1,320MW Thermal Power Plant in Kalapara upazila of Patuakhali. As a result, the country's third seaport has missed out on revenue of at least Tk 25 crore over the past 20 days.

PHOTO: SOHRAB HOSSAIN

# Payra port operations slow down for halt in coal imports

SOHRAB HOSSAIN, Patuakhali

Operations at Payra port have slowed down significantly following the temporary stoppage of coal imports for the Payra Thermal Power Plant in Kalapara upazila of Patuakhali.

The 1,320 megawatt coal-fired power station was shut down on June 6 because of its inability to pay previous dues for coal amid the ongoing US dollar shortage.

And although a ship loaded with coal is scheduled to arrive from Indonesia on June 25, the Payra Port Authority (PPA) has lost revenue to the tune of at least Tk 25 crore due to the non-arrival of vessels for almost 20 days.

The thermal power plant requires an average of about 13,000 tonnes of coal every day, according to PPA sources.

As such, some 2.60 lakh tonnes of coal were required from June 6 to June 25, with about seven ships being needed to transport this amount of the fuel.

So, the PPA would have received at least Tk 25 crore in revenue had these ships been cleared through the port, they said.

At the moment, Payra Port has no major client other than the thermal power plant and so, there has been a slowdown in operations amid the closure.

Since June 6, just two ships loaded with stone arrived at the port, earning it revenue of about Tk 54 crore, the source added.

Shah Abdul Mawla, project manager of the Payra 1,320MW Thermal Power Plant, said six ships have already left with coal from Indonesia and the first is expected to arrive at the station's jetty on June 25 with some 37,000 tonnes of the fuel.

He also said ships with a carrying capacity of between 37,000 and 45,000 tonnes will now regularly bring coal for the power station, subject to the clearance of prior dues.

Azizur Rahman, deputy director

(traffic) of the PPA, said coal imported from Indonesia for the thermal power plant directly anchor at the station's jetty.

At present, mainly imported coal, stone and raw materials for cement are

**At the moment, Payra Port has no major client other than the thermal power plant and so, there has been a slowdown in operations amid the closure of the plant**

brought through Payra port.

But when the construction of the first terminal is complete, various products will also be exported from the country's third seaport, he added.

Rear Admiral Golam Sadek, chairman of the PPA, said they are continuously negotiating with various organisations

for importing or exporting various goods, including fertiliser and cars, through the port.

Once the construction work of the first terminal is complete, mother vessels will be able to directly anchor at the jetty, facilitating the transport of goods to different parts of the country by road.

Sadek also said they hope the construction of the first terminal will be complete by the end of this year and goods brought through the port will be transported through the ferry service in Andhra Manik river.

He also said the construction of a bridge over the Andhra Manik river is underway.

Prime Minister Sheikh Hasina unveiled the plaque of Payra port on November 19, 2013. And on August 13, 2016, she also inaugurated the port's formal product release programme of the port.

Currently, infrastructure development works for the first terminal, yard and connecting roads are ongoing, he added.

## Rationalise public sector borrowing

### DCCI says in reaction to new monetary policy

STAR BUSINESS REPORT

A contractionary monetary policy statement (MPS) for the first half of the 2023-24 fiscal year will help to revive the financial and private sectors, said Barrister Md Sameer Sattar, president of the Dhaka Chamber of Commerce & Industry (DCCI).

The MPS primarily aims to curb inflation by reducing the aggregate demand in the economy, continuing supply-side interventions and a stable and favourable business environment, he said.

The repo and reverse repo have been adjusted to 6.5 per cent and 4.5 per cent respectively to control inflation by reducing the money supply, Sattar said.

"However, the effectiveness of these instruments of controlling inflation is yet to be seen. Because reverse repo was raised earlier but inflation did not decline as expected."

The DCCI president made the comments in a press release in response to the monetary policy statement that Bangladesh Bank announced today for 2023-24 fiscal year.

The MPS showed that the lending rate cap of 9 per cent has been lifted. However, the lending rate will be determined based on a new policy termed as "Short-Term Moving Average Rate (SMART)", Sattar said.

As a result, the interest rate on bank loans may reach double-digit, which may trigger manifold challenges for the survival of businesses in the current volatile geo-economic situation as well as provoking inflation, he said.

Lifting the cap of lending rate and introducing the SMART policy may also increase the cost of doing business for cottage micro small and medium enterprises, the DCCI president said.

Regarding exchange rate stability, Sattar agreed that a unified exchange rate will stabilise the market. However, strong monitoring should be in place by the Bangladesh Bank so that it is properly maintained.

"The reduction of ERQ encashment limit to 50% and increase of interest of EDF to 4.5% are necessary moves to mitigate the foreign exchange challenges. To enhance remittance inflow in the country, Bangladesh Bank needs to be very stringent to discourage the informal channel of inward remittance like Hundi."

## Oil gains for the week

REUTERS, New York

Oil rose on Friday and posted a weekly gain, as higher Chinese demand and Opec+ supply cuts lifted prices, despite expected weakness in the global economy and the prospect for further interest rate hikes.

Brent crude gained 94 cents to settle at \$76.61 a barrel. US West Texas Intermediate (WTI) crude rose \$1.16 to \$71.78.

Brent posted a weekly gain of 2.4 per cent and WTI rose 2.3 per cent.

## Russia losing out to Opec+

### Says Rosneft's senior official

REUTERS, Moscow

Igor Sechin, head of Russian energy major Rosneft, said on Saturday that Russia is losing out to other Opec+ countries due to a smaller share of its oil production being exported.

Sechin, a longstanding ally of President Vladimir Putin, has said that the oil output boom in the United States, which is not a member of the Opec+ group, was also wielding more influence on the global oil market than other producers.

Some experts and analysts have noted that Russia's oil exports are still relatively high despite cuts in production.

Speaking at an economic forum, Sechin said some Opec+ countries were exporting as much as 90 per cent of their output, whereas Russia supplies the global market with only

half of its production.

"That puts our country in a less advantageous position under the current mechanism for assessing the impact and access to key markets," he said. "In this regard, it seems appropriate to monitor not only production quotas, but also oil export volumes, given the different sizes of domestic markets."

Currently, the Organization of the Petroleum Exporting Countries and allies including Russia, a group known as Opec+, regulates only production, not exports.

Amid flagging oil prices, Opec+ agreed on a new oil output deal earlier this month, while Saudi Arabia, the group's biggest producer, pledged to make a deep cut to its output in July on top of a broader Opec+ deal to limit supply into 2024.

Opec+ accounts for around 40 per cent of global oil production,

while Rosneft takes the same share of Russia's oil output.

In remarks published later on Rosneft's website from Sechin's speech, he said Saudi Arabia is voluntarily cutting oil production, while also increasing production capacity.

He said Saudi Arabia may increase the amount of drilling rigs by at least a quarter in the next two years. As a result, by 2025-2027, Saudi Arabia's oil producing capacity may rise by around 2 million barrels per day.

Speaking at the forum, Sechin also said it was more difficult for Opec countries to find common ground due to differences in economic structure and oil production.

"In coming years, humanity will face the problem of production capacities and Opec countries will no longer be able to meet the growing demand," he said.

## Income tax lawyers protest draft rule

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and submit those to the tax administration online, according to the draft rule.

Several hundred income tax lawyers arrived before the NBR headquarters around 10:00am and formed a human chain to press home their demands, including allocation of space inside the building for them to set up office.

The protesters tried to enter the building around 11:15 am and, on being prevented by police and officials of the NBR, staged a sit-in on the street in front.

They also chanted slogans, demanding the resignation of NBR Chairman Abu Hena Md Rahmatul Munem and burning his effigy.

A huge number of tax lawyers have been working in tune with the government's revenue collection efforts for a long time, said BN Dulal, the association president.

"Although we used to collect around 60 per cent of taxes without taking any incentive, the incumbent

chairman is planning to recruit brokers or agents for collecting income tax without any consultation with us," he said.

The TRPs can misuse their positions in rural areas and engage in corruption, he said. "This TRPs rule... is in conflict with the Income Tax Ordinance, 1984," he claimed.

Dulal also criticised a recent minimum income tax rule and an increase in the threshold of surcharge-free net wealth.

From fiscal year 2023-24, individuals who are required to submit income tax returns to avail various government services will have to pay a minimum tax of Tk 2,000 even if they do not have taxable income.

Moreover, an individual will not have to pay any surcharge on net wealth of up to Tk 4 crore whereas earlier the ceiling was Tk 3 crore.

"It's not logical that poor people will have to pay taxes while the rich will get exemption from taxes," he said.

"The NBR chairman has created

such a black law...if implemented, the image of the government will be tarnished," said Md Towhid Uzzaman Khan, the association's general secretary.

"We made some demands and the NBR chairman did not meet those... it is not acceptable. We will continue our protest until those are met," said Syed Iqbal Mostafa, the association's former president.

## Income tax

FROM PAGE B1

Submission of tax return under universal self-assessment method has been made mandatory for all taxpayers.

The types of documents required for the submission of a company's tax return has been reduced to 12 from 29 at present.

Bank depositors having only fixed deposits of more than Tk 10 lakh will need to submit tax returns.

Opposition lawmakers Fakhru Imam, Shamim Haider Patwary, Raushan Ara Mannan, Kazi Feroz Rashid and Pir Fazlur Rahman also discussed on the merits and demerits of the bill.

## Japan sticks to ultra-loose monetary policy

AFP, Tokyo

The Bank of Japan said Friday it would maintain its long-standing, ultra-loose monetary policy as it looks to boost economic growth.

The central bank has gone against the grain as its global peers hike interest rates to tackle inflation, pushing down the value of the yen against the dollar.

Officials had been widely expected to keep policies unchanged after the second two-day meeting under new Governor Kazuo Ueda, who took the helm in April.

They left the bank's negative interest rate in place and did not adjust the band in which rates for 10-year government bonds fluctuate, a scheme known as yield curve control.

The announcement prompted

the Japanese currency to sink to around 141.39 yen per dollar in the afternoon, from around 140.20 yen in the morning.

In contrast, the European Central Bank on Thursday raised interest rates to a 22-year high, boosting the euro, while also warning of persistent inflation and slower growth.

On Wednesday the US Federal Reserve decided against lifting rates, as expected, but signalled plans for additional increases as it assesses the impact of 10 straight hikes since early last year.

Shigeto Nagai of Oxford Economics said the Bank of Japan did not seem in a hurry to change its ways, "despite recent upside surprises both on the growth and inflation fronts".

"We believe that the BoJ will

maintain the status quo for another year or so to assess whether the economy is on track to achieving two-percent inflation within Ueda's five-year term," he said.

A recovery in tourism and household spending helped the world's third-largest economy expand a better-than-expected 0.7 per cent in the January-March quarter.

Inflation stood at 3.4 per cent in April -- down from a January peak when consumer prices rose 4.2 per cent on-year, the highest rate since 1981.

While inflation in Japan remains lower than the sky-high increases seen in the United States and elsewhere, it is above the central bank's two-percent target, which has been surpassed every month since April last year.

## Policy support can help

FROM PAGE B1

In fiscal year 2021-22, the National Board of Revenue (NBR) got Tk 288 crore as customs duty from imports of cosmetic and skincare products.

"This is an insignificant amount. The government can earn several thousand crores of taka in revenue when the domestic industry will grow," he said, urging the government to give policy support in the form of reduced customs tariff for importing raw materials, and removal of value added tax and supplementary duty on locally made cosmetics.

Ambia, also president of the Association of Skin Care and Beauty Products Manufacturers & Exporters of Bangladesh, made the suggestion in an interview with The Daily Star while sharing his reaction to the proposed budget for fiscal year 2023-24.

He said the government tries to give comfort to people amid various

global and local pressure on the economy. It has maintained the consistency to facilitate development of import substitute industries.

Ambia said the government had earlier provided policy support to the main export earner, garments, which helped the sector flourish.

The policy support given to the electronics industry has also cut Bangladesh's import dependence.

"Now the government should explore more prospective industries and give support. If it nurtures skincare, toiletries and colour cosmetics, the sector will grow," he added.

Ambia also said huge investment is required in cosmetics for research and development as well as global branding. Hence, financing should be made available.

"An industry-friendly policy is needed," he added.



Forex reserves  
to rise to  
\$30b within  
this month  
BB says

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves will rise to approximately \$30 billion at the end of June this year, said the central bank yesterday.

Forex reserves stood at \$29.9 billion as of June 12 this year, including the export development fund and other foreign assets, down from \$41.8 billion recorded at the end of June 2022, according to the Bangladesh Bank data.

The banking watchdog said the current level of international reserves is still equivalent to approximately 5 months of imports. This exceeds the standard benchmark of three months' import coverage, indicating the country's relatively strong reserve position.

The central bank said the projected growth of reserves to \$30 billion further strengthens the country's capacity to withstand external shocks and meet its financing obligations promptly.

Economy will  
return to  
high growth  
trajectory  
next year: BB

STAR BUSINESS REPORT

Bangladesh's economy is poised to regain its high growth trajectory by the next year as price effects of the Russia-Ukraine war have largely stabilised and significant improvement has taken place in containing global pandemic situation, projects the Bangladesh Bank (BB) yesterday.

"With a pandemic-free environment and stabilised conditions from the Russia-Ukraine war, Bangladesh's macroeconomic outlook appears to be stable in the near term, poised to regain its high growth trajectory by 2024," said the BB in its monetary policy for July-December period this year.

The positive outlook by the central bank comes after the provisional estimate by the Bangladesh Bureau of Statistics showed a slowing growth to 6.03 per cent in the current fiscal year ending this month, down from 7.1 per cent in the 2021-22 fiscal year.

The BB said despite the positive developments -- declaration of end to the Covid-19 pandemic by World Health Organisation and falling prices of commodities and energy in 2023 -- rising inflation and exchange rate pressure remain critical challenges that Bangladesh continues to face.

The central bank said it has placed highest priority on containing inflation while vigilantly managing exchange rates and other macroeconomic instabilities.

The BB has decided to increase the policy interest rate to increase the cost of funds for the borrowers, remove lending rate cap as well as moving towards a market-driven unified exchange rate.

Intel to invest \$25b  
in new Israel plant

AFP, Jerusalem

US chip giant Intel will spend \$25 billion on a new plant in Israel, officials said Sunday, with Prime Minister Benjamin Netanyahu calling it the country's single largest foreign investment.

The "agreement in principle" would see the semiconductor firm build the facility in southern city Kiryat Gat that would open by 2027 and operate at least until 2035, Israel's finance ministry said.

As part of the deal, Intel's taxes to Israel would rise from five to 7.5 percent, the finance ministry said in a statement.

Intel in return would receive a grant of 12.8 percent of its outlay, the ministry said, in line with Israel's capital investment encouragement law.

Netanyahu said the new plant would constitute "the largest investment in Israel".

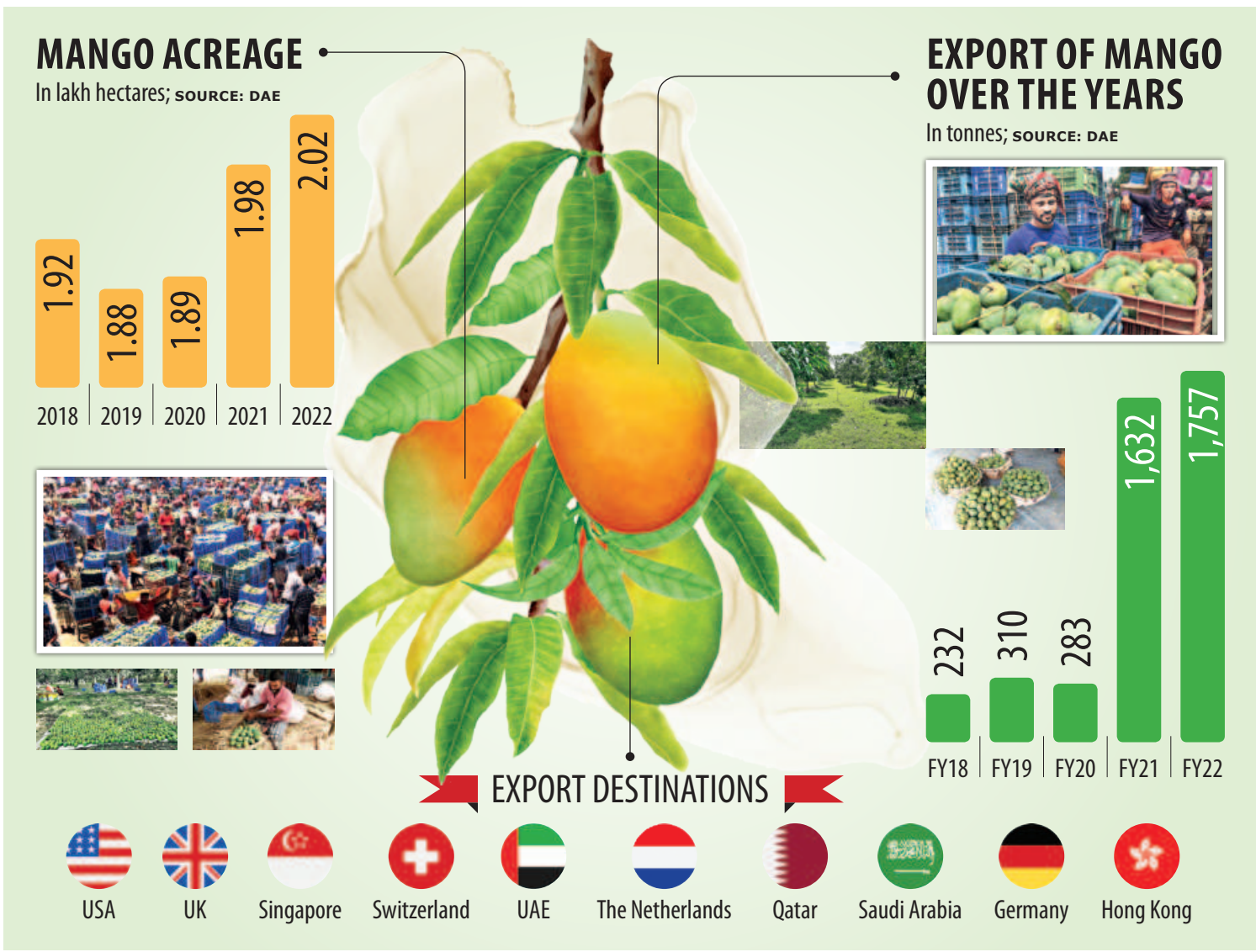
"This is a great show of confidence in Israel's economy, and shows the strength of the free economy we built here and the technological economy developing here," the Israeli leader said.

The two sides would begin finalising the deal in a process expected to take a number of weeks, according to the ministry.

A spokesman for Intel in Israel had no immediate comment.

Intel has been operating in Israel since the 1970s with development centres and a production site that employ some 12,000 people out of the company's global work force of 130,000, the finance ministry said.

In 2017, Intel acquired Israel-based Mobileye, which makes technology for automated driving systems in vehicles, for just over 15 billion dollars.



Mango exports jump  
as quality improves

SUKANTA HALDER

Bangladesh's export earnings from mango have jumped this year as local growers are supplying an improved quality of the popular fruit through both private and public initiatives.

About 1,757 tonnes of mango were exported by air in 2022 while 600 tonnes of the fruit have been shipped so far this year, according to data from the Department of Agricultural Extension (DAE).

The DAE officially inaugurated mango exports for the current season on May 25.

"Till now, mango exports have been mostly limited to our ethnic markets living abroad. But this year, we have been able to export to the mainstream market," said Mohammad Arifur Rahman, director of the DAE's Exportable Mango Production project.

"We have already exported 450 kilogrammes of the fruit," he said, adding that the shipment was made to a supermarket chain in Switzerland.

There are currently 66 registered mango exporters that ship the fruit to about 28 countries, mainly the United Kingdom, Saudi Arabia and Italy.

The season for mango export begins in May and ends in September.

"Our exports start with shipments of Gopal Bhog and other mango varieties, namely Himsagar, Langra and Amrapali," Rahman said.

"We are getting a very good response. We expect to achieve an export target of 4,000 tonnes this year," he added.

Under the project, the DAE aims to train 8,400 farmers on mango production technology, namely good agricultural practices, in major mango producing areas such as

Rajshahi, Chapainawabganj, Sathkhira, Chuadanga, Meherpur and hill-tract districts.

This year, the DAE is working with 990 mango growers, he said.

Md Rezaul Karim, director of the Plant Quarantine Wing of the DAE, which issues plant health certificates for exports, said 600 tonnes have been exported to different countries so far while shipments will continue well into August.

There are currently 66 registered mango exporters that ship the fruit to about 28 countries, mainly the UK, Saudi Arabia and Italy

There is a lot of demand for the summer fruit among consumers in European and Middle Eastern countries, said Md Monjurul Islam, adviser of the Bangladesh Fruits, Vegetables and Allied Products Exporters Association.

"As such, there is a possibility of crossing the amount of mango exported last year," he added.

Kawser Ahmed Rubel, chief executive officer of Global Trade Link, an exporting company, said they shipped mango to only London last season.

But this time around, they have sent the fruit to London as well as Germany and Switzerland.

"So far, we have exported 20 tonnes of mango. The target is to export 100 tonnes this season," he added.

Rubel also said that earlier, there were many communication gaps between foreign buyers and local suppliers, but

the situation has improved a lot over the years.

"Mango exports have increased compared to last season. One of the reasons for this is that the process of obtaining a phytosanitary certificate for export has been simplified," he added.

There was a jump in exports at the beginning of the season compared to the same time last year as many new entrepreneurs and exporters have joined the business, according to Manzurul Hannan, managing director of Hortex Foundation.

"This is very encouraging," he said.

Hortex is a government-sponsored agency working to facilitate the export of fresh produce.

Hannan said mango exports have increased as a result of the overall public-private initiatives, with the government having taken up an exportable mango production scheme.

"Besides, we have developed international standard packaging, and this is also helping the entrepreneurs a lot," he added.

Hannan also said that some farmers are growing export-quality mangoes while the entry of new exporters in the segment has also boosted shipments for the past few years.

Bangladesh ranks ninth in mango production in the world, according to the UN's Food and Agriculture Organisation.

The global mango market size reached a value of nearly \$57.33 billion in 2021, having grown at a compound annual growth rate of 6.4 per cent since 2016. The market is expected to grow from \$57.33 billion in 2021 to \$77.94 billion in 2026 at a rate of 6.3 per cent, according to the Business Research Company.

Journey towards  
nature-positive  
business

ARIJIT CHAKRABORTI

Nature supplies us with essentials like air, water and food, among other necessary resources in our daily lives in order to help us survive. It is thus evident that if nature is under threat, it would cause a significant impact on humankind.

Business refers to a set of activities carried out by an entity or an individual to produce goods and services of commercial value. However, any business requires the use of at least some natural resources. Therefore, the diminishing natural reserves would have a direct impact on businesses as well.

Businesses often contribute to the damage caused to natural resources through the excessive use of water, polluting water bodies by releasing liquid waste, polluting the air by emitting greenhouse gases, and expelling harmful solid waste materials on fertile land and in water bodies. Often, the production of harmful materials, such as non-biodegradable plastics, is also the reason for damage to the earth's natural resources.

Due to such collective activities worldwide, the natural world is declining at an unprecedented rate today. The foundations on which our modern economy and society are running, are eroding faster than ever. According to an analysis by PwC, more than half of the world's gross domestic product is significantly or moderately dependent on nature.

The global economy has grown 25 times in the last 50 years. At the same time, the global wildlife population has declined by 69 per cent, according to Living Planet Index 2022.

The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services has assessed that land degradation, another phenomenon on natural decline, negatively impacts 3.2 billion people globally, and accounts for an economic loss of nearly 10 per cent of the global GDP.

Considering these data points, it is evident that some immediate actions need to be taken in order to slow down this decline of nature. However, a significant impact can only be made if actions pertaining to the same are taken collectively by all stakeholders.

This fast decline of nature also calls for urgent action on the part of businesses. Businesses face new risks from nature loss in the form of reduced productivity, higher input costs and a greater degree of climate threats. Additionally, businesses need to address the emerging actions and reactions of various stakeholders -- namely regulators, consumers and investors. Therefore, businesses must start developing nature-positive strategies and integrating them into their operations.

The starting point for business leaders should be to develop a thorough understanding of what nature means for their respective businesses, and identify the direct and indirect touchpoints with nature -- considering both inputs and outputs of their business activities.

For example, an agribusiness may identify land, water, fertilisers, pesticides, electricity and seeds as their input touchpoints with nature and build strategies to become nature positive in terms of the utilisation of each of these. Similarly, for an apparel manufacturing business, the strategy should be around carefully choosing input materials -- like cotton produced through another nature-positive business entity.

Depending upon the identified touchpoints with nature, the business then needs to formulate its strategy to make each of them nature positive by undertaking various measures. Furthermore, business leaders need to upskill their workforce to execute nature-positive initiatives and deliver sustainable outcomes.

With the pace with which nature is diminishing today, it is crucial that the actions to repair the damage start immediately. Therefore, business leaders need to redefine business leadership and demonstrate the same through their journey towards building nature-positive businesses.

The writer is a partner with PwC. The views expressed here are his own.



A view of the Russian oil producer Gazprom Neft's Moscow oil refinery on the south-eastern outskirts of Moscow. Russia has been redirecting its energy supplies from Western countries which have imposed restrictions and sanctions on trade with Moscow after its invasion of Ukraine. China and India purchase most of the re-routed Russian energy.

PHOTO: AFP/FILE

Russian oil  
to make up  
30% of India's  
imports

ONGC chief says

REUTERS

Russia may account for almost a third of India's oil imports by the end of the current financial year, Arun Kumar Singh, the head of India's Oil and Natural Gas Corp Ltd, was cited as saying on Saturday by Russian news agency Interfax.

"The share of Russian oil imports, which was less than 2 per cent in 2021/2022, has increased tenfold to 20 per cent in the oil import basket," Singh was quoted as saying at a St Petersburg International Economic Forum panel.

The level may reach 30 per cent by the end of the 2023/24 financial year, he added.

"Then, guaranteed trade between the two countries will grow even stronger and Russia will have a major role to play in ensuring India's energy security."