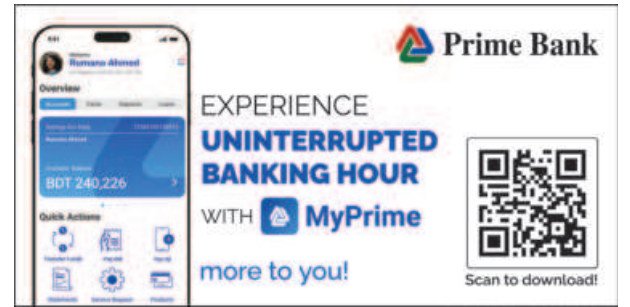


star BUSINESS



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

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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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