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 brought through Payra port.

> **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**

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

REUETERS, *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

FROM PAGE B1

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 Muneem 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.

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.

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

ADP spending

FROM PAGE B1

Among the 15 highest recipients of the development budget, the Energy and Mineral Resources Division was the top performer in July-May as it spent Tk 3,705 crore, which accounted for 92.58 per cent of the fund it received.

The science and technology ministry came second as its ADP execution rate stood at 76.41 per cent while the Bridges Division was placed third with an outlay of 74.12 per cent.

On the contrary, the Health Services Division was the worst performer. Its outlay stood at Tk 3,738 crore, representing 38.17 per cent of the allocation.

Other low performers include the shipping ministry and the Secondary and Higher Education Division.