

Star BUSINESS

Prime Bank
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TENURE
July 2020-June 2025

COST
Tk 3,020cr

SUBSIDIES
50pc subsidy for plain fields
70pc subsidy for haor and southern coastal zones

FARM MACHINES
Combine harvesters, reapers, rice transplanters, power threshers, driers, power sprayers, power weeders, potato diggers, maize shellers, etc.

TARGETS
Distributing 52,000 machines by 2025
Already distributed 29,592

IMED recommends:

- Ensure monitoring of after-sales services
- Select right beneficiaries
- Involve agricultural engineers in monitoring
- Host more training programmes for operators

OBJECTIVES

- Improving crop productivity
- Saving cost by 20%
- Saving time by 50%
- Preventing wastage by 15%
- Making farming profitable and sustainable

THE PROJECT AT A GLANCE

Tax collection target missed for 11th year

Achieving FY24 goal to be 'impossible'

SOHEL PARVEZ

For the 11th consecutive year, the National Board of Revenue (NBR) has missed its tax target in the face of slowing growth of collections amidst economic slowdowns and ambitious goals set by the government.

The NBR logged Tk 325,272 crore in overall receipts in fiscal year 2022-23, falling short of Tk 44,728 crore from its target for the fiscal year, according to its provisional data.

Tax collection grew only 8 per cent last fiscal year, which was almost half of the 14 per cent growth the NBR achieved the previous year.

"The final collection figure shows the shortfall from the target that what we had apprehended earlier," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

"The main problem is administrative capacity of the NBR. Along with it came economic slowdown," he said.

"Corporate income has declined. Imports and commodity prices have dropped too," he said.

The FY23 revenue receipts also fell short of the Tk 345,630 crore target set by International Monetary Fund (IMF) for

Bangladesh as a part of its \$4.7 billion loan approved in January this year.

Data by the NBR showed that tax collection from imports and exports grew only 2.5 per cent year-on-year to Tk 91,717 crore during the July-June period of fiscal year (FY) 2022-23.

The National Board of Revenue logged Tk 325,272 crore in overall receipts in fiscal year 2022-23, falling short of Tk 44,728 crore from its target.

Meanwhile, income and travel tax receipts rose 9.6 per cent to Tk 112,921 crore.

Only collection of VAT, the biggest source of revenue collection, grew by double digits, 11.2 per cent, enabling the NBR to record Tk 120,633 crore, according to the NBR data.

The provisional figure of the full year's collection comes two weeks after the national budget for the current FY24 was passed giving the NBR the task of collecting Tk 430,000 crore.

READ MORE ON B3

FARM MECHANISATION PROJECT

Farmers allege difficulties in availing after-sales services

MD ASADUZ ZAMAN

Farmers in Bangladesh are struggling to make the most of a government project that aims to expand farm mechanisation as they face difficulties in availing after-sales services, among other issues, according to a report by the Implementation Monitoring and Evaluation Division (IMED).

In July 2020, the government took up a five-year project involving Tk 3,020 crore for providing farmers with agricultural machinery at subsidised rates, thereby helping them improve crop productivity, save time and achieve profitability.

However, a recent study by the IMED shows that farmers are facing delays and other issues in availing after-sales service from local suppliers, who were contracted by the government to provide agricultural machinery at reduced prices.

Under the project, styled "Agriculture Mechanisation through Integrated Management", farmers who buy agricultural machinery from appointed suppliers are entitled to three years of after-sales

service.

This includes a warranty for the first year and after-sales service, such as detection of faults and repairs, on the subsequent two years for the machinery, such as combine harvesters, power threshers and rice transplanter.

A total of 34 companies, including ACI Motors Ltd, Greenland Technologies Ltd and SQ Trading and Engineering, were appointed to provide agricultural machinery at subsidised rates under the project.

Farmers in haor and southern coastal areas of the country can buy agricultural machinery with 70 per cent subsidy while those in other regions can enjoy 50 per cent off on their purchase.

This is the third project that the government has undertaken since 2009 to subsidise purchases of agricultural machinery and therefore facilitate mechanised cultivation.

But as per the IMED's in-depth monitoring report, about 74 per cent of the farmers surveyed allege that they face difficulties in getting on the list of eligible beneficiaries for the subsidy.

In addition, some 43 per cent said they struggle to receive the machinery even after making payment while around 6 per cent claimed that they got sub-par equipment.

The report was prepared

productivity.

"If the machine breaks, I have to remain idle for at least two days as the supplier does not provide prompt service," he added.

Mostafizur Rahman, a farmer

based on the feedback from 1,824 beneficiary farmers across 32 districts.

Mohammad Shawkat Ali, a beneficiary farmer in Tangail who bought a combine harvester in 2021 from Abedin Equipment Ltd, said his equipment worked well during the first season.

"But the performance of this high-value machine has been worsening since then," he added.

Ali also said that he is facing trouble in getting after-sales service, resulting in reduced

in Bogura who bought a combine harvester in 2017 under a similar government project, echoed the same.

"I bought the harvester from a local company for Tk 12.30 lakh, but it remains almost abandoned and has become a burden for me," he said.

However, Arafat Uddin Ahmed, deputy general manager of the Abedin Group, denied the allegation.

"Usually, farmers want their services immediately. But it takes



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Ceramics export rises to four-year high in FY23

JAGARAN CHAKMA

Bangladesh's exports of ceramic products rose to a four-year high in the just-concluded fiscal year although the growth slowed as manufacturers failed to deliver products on time owing to the shortage of gas, official figures showed.

The industry fetched \$43.39 million from the shipment of ceramic products in 2022-23, up 4.91 per cent year-on-year, according to the Export Promotion Bureau.

The export grew 32.95 per cent in 2021-22 and 11.23 per cent in 2020-21.

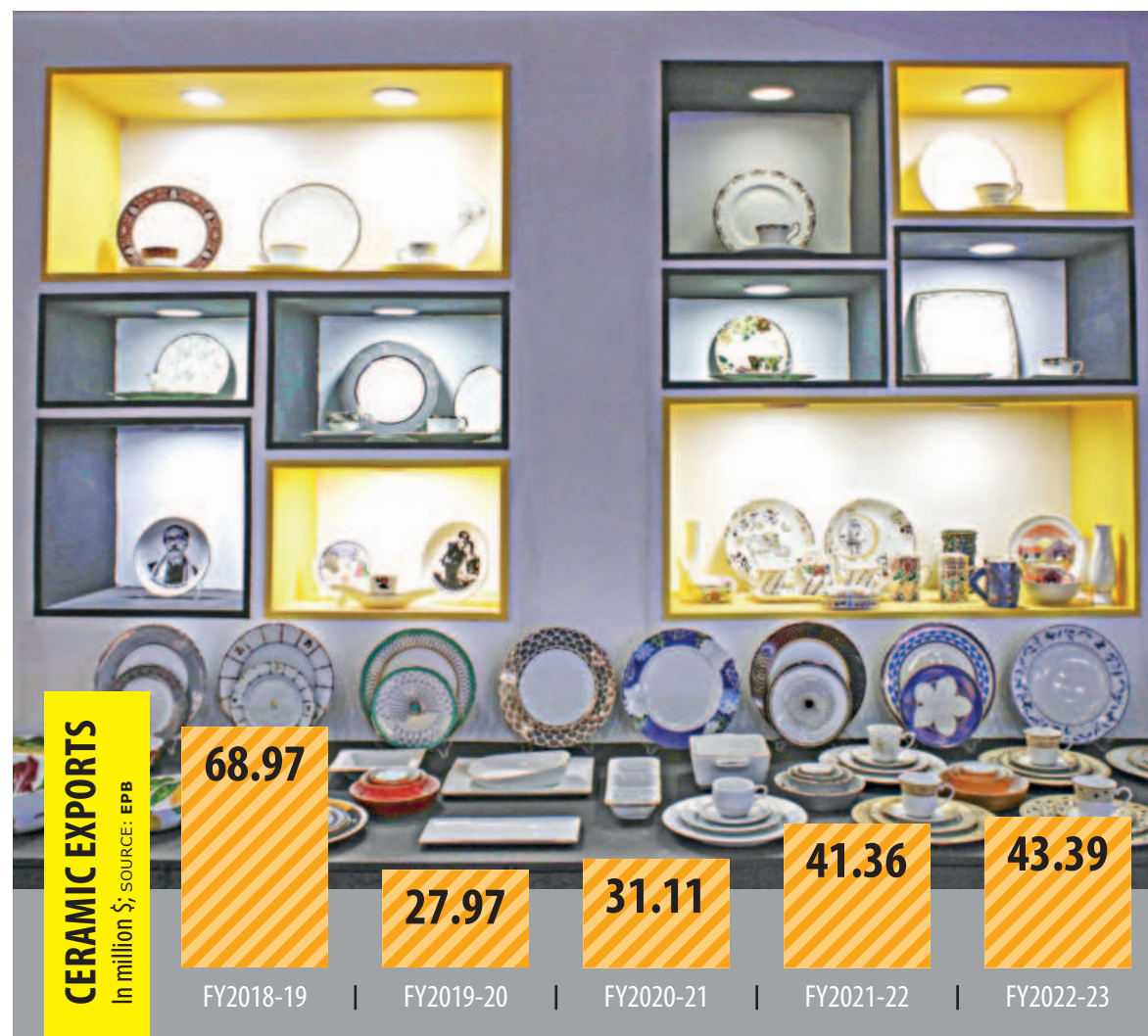
The receipts in FY23 were way lower than the \$68.97 million exporters brought home in 2018-19, the year before the pandemic struck the country.

"Manufacturers could not run factories at full capacity due to the inadequate supply of gas. This was the main reason the sector did not achieve expected export growth in FY23," said Irfan Uddin, general secretary of the Bangladesh Ceramic Manufacturers and Exporters Association.

The gas crisis hit industries last year after the government paused purchasing liquefied natural gas directly from the international spot market to stop the depletion of foreign currency reserves, leading to a drastic fall in energy supply as domestic production has been inadequate for a long time.

Irfan said manufacturers did not get the gas supply for around 12 hours a day since October. "So, we could not produce products on time."

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Will take long to recover losses from wide gap in USD buying-selling rate

Exporters say

STAR BUSINESS REPORT

Exporters will struggle many months before they overcome from the losses they had suffered for buying the US dollar at a much higher rate to clear import bills for the raw materials to make goods for western markets, said manufacturers yesterday.

The apparel sector alone incurred losses of nearly Tk 40 billion in the past four months because of a nearly Tk 10 gap in buying and selling the US dollar.

For example, exporters received Tk 98 or Tk 98.50 per US dollar against export receipts but they would have to buy the greenback for Tk 107 or Tk 108 when opening letters of credit for importing raw materials.

And after a recent intervention by Bangladesh Bank, the gap has been minimised to the about Tk 2.

"But we want the gap to be Tk 1 when buying and selling the greenback with banks," said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

"We are now struggling to recover the losses incurred from the gap," Hatem said, adding that 2023 is a challenging time for the garment sector as international clothing retailers and brands placed nearly 30 per cent fewer work orders for the current season.

Hatem was speaking at a roundtable on monetary policy, jointly organised by the Institute of Chartered Accountants of Bangladesh (ICAB) and Economic Reporters' Forum (ERF), at the former's office in Dhaka yesterday.

Md Humayun Kabir, former ICAB president, moderated and presented the keynote paper.

At the discussion, manufacturers expressed concerns about the availability of energy as they are not getting gas with adequate pressure even though the price was doubled last year.

Various businesses also suggested introducing payments to Chinese exporters either in rupee or Chinese yuan instead of the US dollar.

The government should formulate the next monetary policy with the aim of attracting investment in the primary textile sector as the current policy is hardly effective to this end, said Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association.

READ MORE ON B3

STOCKS

DSEX ▲	CASPI ▲
0.06%	0.05%
6,338.81	18,731.32

COMMODITIES AS OF FRIDAY

Gold ▲	Oil ▲
\$1,925.89	\$73.75
(per ounce)	(per barrel)

ASIAN MARKETS FRIDAY CLOSINGS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.77%	▼ 1.17%	▼ 0.28%	▼ 0.35%
65,280.45	32,388.42	3,196.61	3,139.47

Islami Bank launches 'smart banking' campaign

STAR BUSINESS DESK

Islami Bank Bangladesh Ltd yesterday launched a monthlong campaign titled "Smart Bangladesh Smart Banking" with the slogan "Future is Now".

Mohammed Monirul Moula, managing director and CEO of the bank, inaugurated the campaign at Islami Bank Tower in Dhaka, said a press release.

"Digital transactions have increased among people due to the dissemination of information and communication technology. People are now comfortable with such transactions without visiting bank premises. Our alternative banking services across the country continue to gain global recognition," said Moula.

Muhammad Qaisar Ali, JQM Habibullah, and Md Altaf Hossain, additional managing directors, AFM Kamaluddin, Md Nayer Azam, Mohammad Jamal Uddin Mazumder, Mohammed Shabbir, Kazi Md Rezaul Karim and Miftah Uddin, deputy managing directors, were present.



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, cuts a ribbon to inaugurate a campaign styled "Smart Bangladesh Smart Banking" at Islami Bank Tower in Dhaka yesterday. PHOTO: ISLAMI BANK BANGLADESH



Khairul Alam Choudhury, chairman of AB Bank, presides over the bank's annual general meeting, which was virtually held on Saturday. PHOTO: AB BANK



Nuruddin Md Sadeque Hossain, managing director of Southeast Bank, virtually presides over the bank's half-yearly "Business Conference-2023" from the lender's head office in Dhaka yesterday. PHOTO: SOUTHEAST BANK



Ali Reza Iftekhar, managing director of Eastern Bank, cuts a ribbon to inaugurate a priority banking centre of the bank on Sonargaon Road at Bangla Motor in Dhaka yesterday. PHOTO: EASTERN BANK

ShareTrip, Bangladesh Monitor ink MoU

STAR BUSINESS DESK

Online travel agency ShareTrip recently signed a memorandum of understanding (MoU) with The Bangladesh Monitor, a travel trade publication of the country, on title sponsorship of the "Monitor Airline of the Year 2023" awards.

The Bangladesh Monitor introduced "Monitor Airline of the Year" awards in 2007 as a regular annual event. The flyers' opinion poll for the airline awards programme will begin soon in Dhaka.

Kazi Wahidul Alam, editor of The Bangladesh Monitor, and Sadia Haque, chief executive officer and co-founder of ShareTrip, inked the MoU to this effect in Dhaka, said a press release.

"We sincerely thank ShareTrip for extending their all-out support in successfully holding this most acclaimed airline recognition event," said Alam.

"The awards programme for airlines has been playing a vital role towards development of the country's aviation sector. It has been serving as a spur for airlines to improve their services further to ensure customer satisfaction," said Haque.

Sohail Majid, chief operating officer of ShareTrip, AKM Mahfuzul Alam, chief sales officer, and Mofassal Aziz, head of brand and communication, Pizush Bagchi, head of events and activations at Triune Group, and Mahbub Sultan, head of sales of The Bangladesh Monitor, were present.



Kazi Wahidul Alam, editor of The Bangladesh Monitor, and Sadia Haque, chief executive officer of ShareTrip, exchanged signed documents of a memorandum of understanding on title sponsorship of the "Monitor Airline of the Year 2023" awards in Dhaka recently. PHOTO: SHARETRIP

Pubali Bank organises training programme

STAR BUSINESS DESK

Pubali Bank recently organised a training programme for its junior officers and junior officers (cash) at Pubali Bank Training Institute in Dhaka.

Mohammad Ali, managing director and CEO of the bank, inaugurated the programme, said a

press release.

Ali urged all officials to work with honesty and integrity in the workplace to foster new spirit and enthusiasm for achieving the bank's vision and mission.

He gave instructions to all to make an all-out effort to utilise proper investment of funds, to reduce classification of loan and

to arrest mismanagement in the operational activities of the bank with a view to maintaining efficiency and effectiveness in all respects.

Ratan Kumar Shil, deputy general manager of Pubali Bank Training Institute, presided over the function. A total of 27 officers of the bank took part in the training course.



Mohammad Ali, managing director of Pubali Bank, poses for photographs with participants of a training programme organised by the bank for its junior officers and junior officers (cash) at Pubali Bank Training Institute in Dhaka recently. PHOTO: PUBALI BANK

UK to unveil new measures to support financial sector

AFP, London

Finance minister Jeremy Hunt is on Monday due to announce new measures to support Britain's powerful financial sector, seeking to make the UK the "most innovative and competitive" financial centre in the world.

Hunt will set out "how Britain's financial services will support the drive for long-term sustainable growth across the country", the UK Treasury said ahead of his speech at London's Mansion House in the City of London financial district.

"I want to lay out plans to enable our financial services sector to increase returns for pensioners, improve outcomes for investors and unlock capital for our growth businesses," Hunt is expected to tell an audience of CEOs and leaders from the sector.

The new measures will in particular seek to make the UK stock market more attractive to firms looking to take their businesses public.

AB Bank approves 2% dividend

STAR BUSINESS DESK

Shareholders of AB Bank in its 41st annual general meeting (AGM) approved a 2 per cent stock dividend for the year that ended on December 31, 2022.

Khairul Alam Choudhury, chairman of the bank, presided over the meeting, which was organised virtually on Saturday, said a press release.

At the end of 2022, operating profit of the bank stood at Tk 548 crore, profit after tax stood at Tk 68 crore, while earnings per share was Tk 0.79 and net asset value per share was Tk 28.37.

Feroz Ahmed was re-elected as director in the AGM and the shareholders approved the appointment of Md Eskandar Miah as an independent director of the bank.

Tarique Afzal, president and managing director of the bank, the board of directors, and a good number of shareholders also joined the meeting.

Eastern Bank opens priority banking centre

STAR BUSINESS DESK

Eastern Bank Ltd has opened a priority banking centre on Sonargaon Road at Bangla Motor in Dhaka.

The centre with a dedicated relationship manager is designed to provide one-stop and value-added premium services to high-net-worth priority customers.

Ali Reza Iftekhar, managing director and CEO of the bank, inaugurated the centre yesterday, said a press release.

"This new facility will strengthen our relationship with our priority customers, offering them greater convenience and catering to their financial and lifestyle needs," said Iftekhar.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JUL 9, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	-6.25 ↓
Coarse rice (kg)	Tk 48-Tk 50	0	-2 ↓
Loose flour (kg)	Tk 52-Tk 55	0	30.49 ↑
Lentil (kg)	Tk 90-Tk 100	0	-11.63 ↓
Soybean (litre)	Tk 167-Tk 175	-5 ↓	-2.29 ↓
Potato (kg)	Tk 38-Tk 40	2.63 ↑	39.29 ↑
Onion (kg)	Tk 70-Tk 80	3.45 ↑	76.47 ↑
Egg (4 pcs)	Tk 46-Tk 50	3.23 ↑	23.08 ↑

SOURCE: TCB

Singapore home to more than half of Asia's family

FROM PAGE B4

Asian family offices mostly manage wealth for up to three generations, with 27 per cent for three generations, 38 per cent for two generations and 32 per cent for one generation.

In the Americas, 29 per cent of family offices manage wealth for three generations, 37 per cent for two generations and 23 per cent for one generation.

In Europe, three-quarters of family offices manage wealth for up to two generations, with 38 per cent for two generations and 37 per cent for one generation.

Twenty-four per cent of Asian family offices have assets under management (AUM) of about \$500 million to about \$1 billion, or between US\$368.72 million and US\$737.45 million, representing the largest AUM bracket for the region.

The other brackets – of AUM at \$1.1 billion to \$2 billion, \$251 million to \$500 million, and below \$250 million – each make up 20 per cent of Asian family offices.

In the Americas, 26 per cent of

family offices have AUM of below US\$250 million, 21 per cent between US\$251 million and US\$500 million, and 17 per cent between US\$500 million and US\$1 billion.

But the Americas also have the largest proportion of family offices with AUM of more than US\$5 billion, at 9 per cent. This is compared with 5 per cent in Europe and 4 per in Asia.

In Europe, 26 per cent of family offices have AUM of below US\$250 million, 23 per cent have AUM of between US\$251 million and US\$500 million, and 20 per cent have AUM of between US\$500 million and US\$1 billion.

The report expects 2023 to offer a glimmer of certainty due to the knowledge that a recession is likely. Family offices can plan for the outcome and invest with the aim of considering every downfall as an opportunity.

In particular, private equity will be a "particularly interesting watch" after a decline during the Covid-19 pandemic.

China's GDP expected to grow 5.4%

FROM PAGE B4

Infrastructure investment will continue to grow rapidly, investment in high-tech industries will support investment growth, and the real estate market is expected to gradually bottom out and recover.

As economic recovery continues, the banking sector is taking the initiative to increase support for the real economy and steadily increase the size of its assets and liabilities.

Bank industry's business

development pays equal attention to quantity and efficiency, actively adapting to the downward trend of LPR, and the overall profit remains stable.

China's bank industry continued to strengthen the ability to cope with risks, and asset quality continued to improve.

The country's bank industry also strengthened the ability to replenish diversified capital and consolidate the foundation for risk prevention and control.

Vietnam's economy sees positive changes: govt

ANN, Viet Nam News

The Ministry of Planning and Investment has reported that Viet Nam's socio-economic situation has been experiencing gradual and positive changes, with steady growth observed in several important indicators and indexes month by month.

This has contributed to the overall improvement in the first half of this year and set the stage for the upcoming months.

Minister of Planning and Investment Nguyễn Chí Dũng emphasised this during the teleconference between the Government and localities and the regular Cabinet meeting in Hà Nội on Tuesday.

Reports from the ministry showed that the Consumer Price Index (CPI) recorded an average increase of 3.29 per cent in the first six months compared to the same period last year, maintaining its downward trend. State budget revenue reached 54 per cent of the estimated target for the first half of the year. In June, the total import-export turnover continued to rise, showing a growth rate of approximately 3.6 per cent compared to the previous month. The trade surplus for the first six months was projected to reach US\$12.25 billion, a significant increase compared to the \$1.2 billion recorded during the same period last year.

Investment showed more positive signs, with the total invested capital in the second quarter increasing by 5.5 per cent compared to the same period of last year, surpassing the growth rate of 3.7 per cent in the first quarter.

Overall, in the first six months, the total social investment capital was estimated to exceed VND1.35 quadrillion, a 4.7 per cent increase compared to the same period.

Registered foreign investment in the second quarter reached nearly US\$8 billion, a nearly 50 per cent increase compared to the first quarter.



Mung dal being processed from mung bean using a milling machine developed through a project undertaken by the Bangladesh and Australian governments. Inset, until a couple of years back, quern-stones were used for the purpose. PHOTO: SOHRAB HOSSAIN

Milling machine leveraging mung dal farmers

SOHRAB HOSSAIN, Patuakhali

The availability of a simple electricity-run milling machine is helping farmers in Patuakhali double their earnings from a legume crop.

Mung bean is a relatively drought-tolerant and low-input crop that can improve soil fertility and provide livestock feed.

Drying, removal of its green skin and subsequently splitting it in half yield the pale-yellow mung dal, which can sell for twice as much.

Until a couple of years back, this processing was done using quern stones, which is tedious, for which farmers used it for only what they sought to consume themselves.

However, things started to change since January 2021.

Existing grain millers started to get the machines for free from Bangladesh Agricultural Research Institute and the Bangladesh Wheat and Maize

Research Institute with support from an Australian government project through the Australian Centre for International Agricultural Research.

It had taken 5 years to develop the "mini mills" with the help of local craftspeople, that too using parts readily available in the local market, said Dr Mrinmoy Guha Neogi, deputy project leader from the University of Western Australia.

There were 14 set up in Patuakhali and Barguna each, two in Pirojpur and one in Barisal. The only precondition was that the millers could charge farmers no more than Tk 10 per kilogramme.

And this has been a long time coming for Rafiq Sipai. The farmer of Patuakhali sadar upazila has been cultivating mung beans for around 15 years.

This year he is very happy to get Tk 120 to Tk 130 per kilogramme of mung dal whereas the same amount of mung bean would have brought him Tk 40 to Tk 50.

Harvesting 16 maunds (one maund equals around 37 kilogrammes) from

1.30 acres of land, he plans to expand his cultivation next year.

Farmer Zakir Hossain of Barguna also plans to grow more of the legume. This year he harvested 25 maunds from 1.5 acres.

Both farmers use a machine set up inside the shop of Abdul Mannan Sikder in Hetalia Bandhghat area of Patuakhali town.

Sown in December and harvested in February, mung bean is one of the most preferred crops after rice and watermelon, said Abdul Awal, deputy assistant agriculture officer of Patuakhali sadar upazila.

Yields stand at around 1.3 tonnes per hectare in Patuakhali, he added.

This year 86,432 hectares of land were used, around 1,000 hectares more than that last year, said Md Nazrul Islam, Patuakhali district agriculture extension officer.

The machines are bringing more revenue for farmers and getting others interested, he said.

New Zealand signs 'ambitious' trade deal with EU

AFP, Brussels

The European Union and New Zealand on Sunday signed a free trade agreement which Brussels says can lift exchanges between the two by 30 per cent with a decade.

The deal, agreed in June 2022 after four years of tough negotiations, is "ambitious", said European Commission President Ursula von der Leyen.

"It is a very well-balanced free trade agreement," she added.

"New Zealand is a key partner for us in the Indo-Pacific region, and this free trade agreement will bring us even closer together," the EU chief said from Brussels.

New Zealand Prime Minister Chris Hipkins said it "will generate substantive new economic opportunities."

"It's of huge benefit to both partners," he said.

The EU is New Zealand's third biggest trading partner importing wines, fruit and meat into the continent.

Bilateral trade was just under nine billion euros (\$9.9 billion) last year.

According to Brussels, EU exports to the South Pacific nation could increase by 4.5 billion euros a year. The bloc's investment in New Zealand could climb progressively by as much as 80 per cent.

The deal includes a section on sustainable development, a first for an EU trade pact.

"For the very first time in a trade deal, we have included commitments on the Paris climate agreement," which set a goal of limiting global warming to well below two degrees Celsius, noted von der Leyen.

German industrial output slips

AFP, Frankfurt

German industrial production unexpectedly fell in May, official data showed Friday, raising fears of a prolonged downturn in Europe's top economy.

Output in the manufacturing powerhouse slipped by 0.2 percent compared to the previous month, seasonally adjusted figures from federal statistics agency Destatis showed.

Analysts surveyed by financial data firm FactSet had forecast the indicator would come in almost flat.

The German economy fell into recession at the turn of the year, weighed down by surging inflation and aggressive interest rate hikes.

ING economist Carsten Brzeski warned the latest data indicated that "German industry is still stuck in stagnation."

"It needs an activity surge in June to avoid an extension of the recession," he said.

The fall in production came after an increase of 0.3 percent in April.

May's figure was affected in particular by a seven-percent decline in the energy sector.

Energy prices have surged since Moscow invaded Ukraine and slashed supplies to Germany, which had previously relied heavily on Russian gas.

The manufacture of pharmaceuticals also slumped by about 13 percent.

Tax collection target

FROM PAGE B1

Data showed that the new goal is 32 per cent higher from the total collection of the FY23.

"Achieving the target will be impossible," said Mansur, also a former economist at the IMF, "At best, the NBR would be able to collect 15 per cent higher tax," he said.

The economic situation is likely to become more depressed this fiscal year as Bangladesh Bank adopts a contractionary monetary policy, said Mohammad A Razzaque, director of the PRI Study Centre on Domestic Resource Mobilisation (CDRM).

"Interest rate hike and increased cost of businesses will bring down economic dynamism and revenue mobilisation will be more difficult," he said.

Mansur however said the revenue target given for the current fiscal year is "very much achievable".

"It should be achieved," he said, adding that the NBR could not achieve the target for its administrative failure.

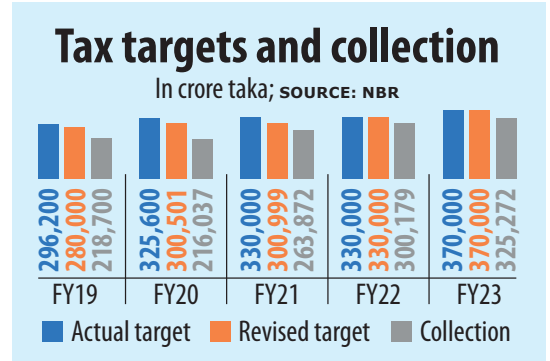
Without modernisation of the tax administration and automation, reduction of direct and regular contact between taxpayers and tax administration

as well as separation of revenue collection from policymaking, the tax target will not be achieved, he added.

Mansur said the slower growth in revenue collection might cause Bangladesh to go for a separate negotiation with the IMF.

As per the IMF's task list, Bangladesh was supposed to ensure a higher revenue collection and prevent the forex reserve from falling. That could not be achieved, he added.

"So stronger measures have to be taken. At



least sale of forex from reserve has to be stopped," he said.

It was understandable from the very beginning of last fiscal year that the revenue collection target was likely to be missed, said Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue (CPD).

The target was too ambitious. During the course of the year, the government also took several austerity measures, including that involving public expenditure and imports, which negativity affected the revenue collection, he said.

While it is true that the tax-GDP ratio is very low in Bangladesh and the government has laid emphasis on it as a part of the IMF conditionalities, the NBR should focus on revenue collection by any means, he added.

This year's fiscal measures, passed under the budget for FY2024, clearly indicate that the NBR does not necessarily take into consideration the distributive and strategic concerns adequately, said Khan.

The key approach for tax collection should curbing tax evasion and illicit financial outflow, he added.

Farmers allege difficulties

FROM PAGE B1

Jamil also said while it is true that they are currently unable to fully provide after-sales service, the facility will be developed gradually.

According to officials of the Department of Agricultural Extension (DAE), around 34 companies are supplying 12 types of agricultural machinery under the project.

Of these companies, 14 mainly import and retail combine harvesters.

Seeking anonymity, a senior official of a leading supplier of agricultural products, said some local companies are providing substandard products to farmers.

Besides, a number of them that do not provide quality products are still being contracted under the project thanks to some unscrupulous business practices, the official added.

As the implementing agency, the DAE has so far distributed around 30,000 agricultural machineries at subsidised rates, said Project Director Tarik Mahmudul Islam.

Asked about the farmers' allegations, Islam said they are facing some problems

regarding the implementation of new technologies on a countrywide level.

During previous iterations of the project between 2009 and 2020, there were some problems related to supplying quality machineries.

"But the project is ongoing very successfully. In the last Aman and Boro seasons, the country saved some Tk 2,700 crore thanks to the farm mechanisation project through improved cultivation," Islam said.

"We are carefully trying to monitor the farmers' allegations against suppliers," he added, citing how they have already taken steps against some companies as per farmers' written complaints.

M Asaduzzaman, former research director of the Bangladesh Institute of Development Studies, said the government should ensure feasibility studies before taking such projects as influential groups may be the ones benefiting rather than farmers.

"When farmers purchase machines, they have to invest a huge amount on it. If they don't get sustainable services from the provider, they may face large economic losses," he added.

Will take long to recover losses

FROM PAGE B1

Last year, Bangladesh spent \$8.2 billion for energy purposes and the amount will be \$10 billion this year, he said, adding that the amount will be \$15 billion if the government wants to supply energy to industrial units at full capacity.

Currently, the textile sector needs 3,300 million cubic feet of gas each day but they are getting 2,550 million cubic feet.

The government has also reduced the EDF limit at a time when sector is facing challenges, Khokon said.

"If the government takes away Tk 1.32 lakh crore from the banking sector, the industrial sector will suffer from the shortage of funds," he added.

Even the 9 per cent interest rate on borrowing was high for the garment sector but now, the SMART interest with 3 per cent spread is a burden

for the sector, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"Why isn't the spread 1.5 per cent instead of 3 per cent over SMART?" Hassan asked.

Shawkat Hossain Masum, online chief of The Daily Prothom Alo, said the taka was devalued by 25 per cent at a bad time as the devaluation was denied earlier.

He also urged for energy security. Jamal Uddin, former ICAB president, said the government's operating cost should be downsized to 50 per cent from 70 per cent.

Ferdaus Ara Begum, chief executive officer of Business Initiative Leading Development (BUILD), said sufficient research and discussions should have been held before introducing trade in Indian rupee.

She suggested for introducing a single exchange rate instead of four different exchange rates.

Mahbub Ahmed, a director of Bangladesh Bank, urged for easing the sales of treasury bonds so that regular people can buy such financial instruments.

Atiur Rahman, former governor of the central bank, said only the inflow of US dollar can resolve the current crisis.

So, the government should hunt the greenback not only from exports or remittance, but also from other areas like foreign development projects.

"Moreover, the government can earn a handsome amount of US dollar if the rules are eased for the nearly 7 lakh freelancers in the country as they also earn money from abroad," he added.

Ceramics export rises

FROM PAGE B1

As a result, we were not able to supply goods against around 30 per cent of the orders," said Irfan, also the managing director of FARR Ceramics Ltd.

The government is providing a 10 per cent cash incentive against exports of ceramic products. "This is encouraging," Irfan said.

MA Jabbar, managing director of DBL Ceramics, said the business of the ceramic sector is going through a difficult period due to the increase in the production cost and the gas crisis.

The absence of uninterrupted gas and power supply and the increase in the cost of production hampered production, ultimately affecting the exports of ceramics, he said.

The entrepreneur said owing to the disruption in gas and power supply, the sector faced a big challenge in

maintaining the quality of products.

Local ceramic manufacturers mainly produce three types of products: tiles, tableware and sanitaryware. Of the 68 manufacturers currently operating, 20 produce tableware, 32 make tiles and the rest produce sanitaryware.

Bangladesh mainly ships tableware and has added tiles to the export basket in recent years.

According to Jabbar, considering the ongoing high inflation environment, manufacturers have not been able to hike the price of their products in line with the spike in the cost of production.

"As a result, the profit margin has plunged to the lowest level."

Ruslan Nasir, deputy managing director of Mir Ceramic Limited, said tiles manufacturers export on a limited scale and contribute an insignificant amount to the export basket.

The company mainly exports to the northeastern states of India.

Nasir said local tiles manufacturers are focusing on the local market since demand has grown over the past decade thanks to rapid urbanisation.

"There is a lot of competition in the tiles segment globally. And since the sector is dependent on imported raw materials, it will take time for the local producers to grab a significant share of the international export market."

He, however, sees a bright future for the tiles segment since local manufacturers produce world-class products.

Manufacturers have so far invested around Tk 10,000 crore in the sector, which employs about five lakh workers, including two lakh women. They ship goods to more than 50 countries.

India to hold trade deal talks with European nations

REUTERS, New Delhi

India's trade minister will hold talks in the UK on a free trade deal with Britain and meet ministers from the European Free Trade Association from July 10 to 11, the Ministry of Commerce and Industry said on Sunday.

Trade minister Piyush Goyal will meet with his UK counterpart, Kemi Badenoch, and representatives from British industry, the ministry said.

The talks offer an opportunity to discuss the main priorities of a free trade agreement with a focus on addressing trade barriers, promoting investments, and fostering greater cooperation in various areas, it said.

Differences emerged between India and the UK on some tariff lines and investment protection rules, including disagreement over concessions on duties levied by India on car and liquor imports.



Asaf-Ud-Dowla Ahmed began the laundry service business nearly 37 years ago and became an agent to sell mobile recharge products more than a decade ago in this rented shop in the capital's Mohammadpur. His wife, who helps him run the business, however, says the mobile top-up business is not as profitable these days as it was in the past as many stores are offering a similar service. The photo was taken recently.

PHOTO: PRABIR DAS

Monthly mobile top-up thru MFS tops Tk 1,000cr for first time

MAHMUDUL HASAN

Customers are increasingly opting for mobile financial services to top up balances, helping mobile carriers earn more than Tk 1,000 crore a month for the first time from the sales processed through MFS providers.

Mobile phone recharging through MFS providers rose 7.69 per cent to Tk 1,017 crore in April from a month ago, data from the Bangladesh Bank showed. The growth was about 30 per cent year-on-year.

The amount stood at around Tk 375 crore five years back.

In Bangladesh, mobile top up through digital means has risen sharply in recent years on the back of a surge in MFS users and debit and credit card users.

The number of MFS accounts now stands at 20 crore and the number of SIMs in circulation is 18.5 crore, with many using multiple accounts and connections.

Currently, the monthly revenue of mobile operators stands at more than Tk 2,650 crore. This means recharging using MFS providers accounts for about 40 per cent of the revenue generated through the sales of talk time and internet data.

In April, Grameenphone's customers carried out 59 per cent of their balance top-up directly through its agents, while the rest was done digitally using the MFS network and debit and credit cards.

BKash alone accounts for 23 per cent of GP's total recharge, while Nagad constitutes 4 per cent and Rocket makes up 1 per cent.

Rifat Jahan, a resident in the capital's Mirpur area, is one of the mobile phone users who has completely moved towards



digital purchase of mobile talk-time and internet.

"I can't remember the last time I went to any store to have my mobile phone topped up. I mostly use MFS accounts. And whenever adequate balances are not available on the accounts, I ask my husband to recharge the phone using his credit card."

Robi Axiata's digital sales comprise approximately 45 per cent of its overall recharge volume.

"It signifies our considerable transition towards digital platforms," said Shahed Alam, chief corporate and regulatory officer of the second-largest operator in the country.

Digital recharge has experienced widespread popularity across the globe in recent years, particularly in the wake of the Covid-19 pandemic, which forced customers to accelerate the use of digital technologies to stay connected.

"Bangladesh is no exception. We have witnessed a significant increase in the use of digital channels for mobile balance recharging," Alam added.

BKash is the most-preferred platform for customers when it comes to topping up balances.

According to the largest MFS operator, more than 7 crore customers top up balances using the networks of Airtel, Banglalink, Grameenphone, Robi and Teletalk.

"To fully utilise the conveniences of mobile phones, an uninterrupted voice and data connection is a must. Therefore, topping up mobile balance whenever required is crucial," said Shamsuddin Haider Dalim, head of corporate communications of bKash.

BKash allows its users to recharge mobile balance and purchase talk time and internet data, for their own consumption as well as for others. In

order to enhance user experience, bKash has introduced the auto-recharge feature.

"The balance is recharged automatically from the bKash account," Dalim added.

The popularity of digital recharge has had an impact on agents, said a number of retailers.

Mohammad Alam, an agent in Habiganj, has been working as a recharge agent for more than 18 years, selling talk time and internet data and cards.

Once he would meet his family expenses by providing phone call service, topping up mobile phones, and selling cards and SIMs.

But at one point, his average monthly income from the mobile recharge business fell to Tk 8,000 owing to the increase in top-ups through MFS providers.

"It was impossible to run a family with the money," he said.

Fortunately, Alam has become an agent of MFS platforms to render cash-in and cash-out services. He also retails mobile accessories and food items such as chips and cold drinks with a view to making a decent living.

Agents have long been getting Tk 27.50 from operators for topping up every Tk 1,000. The commission can climb to as high as Tk 120 if users make high-value purchases.

A number of agents have demanded an increase in the commission since the rate has remained unchanged for more than two decades.

According to industry people, about 3.5 lakh people work as agents of mobile phone operators.

In order to diversify revenue streams, many pharmacies and groceries also offer mobile top-up services.

Scrap import duty hike on lifts, escalators

Businesses urge govt

STAR BUSINESS REPORT

Businesses in Chattogram yesterday demanded the withdrawal of a 10 per cent hike in the import duty on lifts and escalators in order to keep their prices stable and thereby prevent local suppliers from incurring loss.

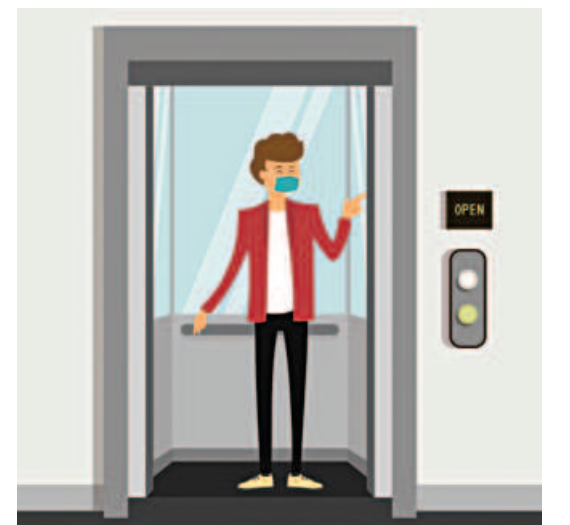
They also urged for lifts and escalators to be kept in the category of "essential capital machinery" alongside lowering the import duty to its previous level of 15.75 per cent.

They made these demands while addressing a protest organised by the Bangladesh Elevators and Lift Importers Association (BEELIA) in front of Chattogram Press Club.

The owners and staff of different elevator and escalator importing and supplier firms participated in the human chain formed at 11:00am.

At the rally, Pujan Sen Gupta, a member of BEELIA and also president of the Chattogram Elevator Business Forum, said local consumers will be affected if the 10 per cent hike is imposed as imports meet 90 per cent of the country's annual demand for lifts and escalators.

The government is raising the import duty in a bid to protect the domestic lift manufacturing industry.



"But imposing additional burdens on an import-oriented industry like this will destabilise the whole market as the country's demand is mostly met through imports," Gupta added.

Minhaj Mahbub, general secretary of the Chattogram Elevator Business Forum, said the hike in import duty from the earlier 15.75 per cent to 25.75 per cent will ultimately increase prices at the consumer level.

As such, leaders of the industry urged the government to lower the duty to the previous level, he added.

France expects big Tesla investment

REUTERS, Paris

French Finance Minister Bruno Le Maire on Sunday said he was "very hopeful" Tesla Chief Executive Elon Musk will pick France for a substantial investment linked to the production of electric vehicles in Europe.

Musk recently met French government officials, including President Emmanuel Macron, as he explores options for future production sites.

Asked whether an investment could be linked to battery cells or other parts of Tesla's business, Bruno Le Maire told LCI television "several options are on the table".

"He (Musk) knows that he would be welcome in France", Le Maire said, adding: "It's up to him to take the decision."

Singapore home to more than half of Asia's family offices

ANN/THE STRAITS TIMES

More than half of the family offices in Asia are estimated to be located in Singapore, said KPMG Private Enterprise and Family Office consultancy Agreus in a report.

Some 9 per cent of the world's family offices are located in Asia, with 59 per cent of these in Singapore, according to the 2023 Global Family Office Compensation Benchmark Report.

The report estimated that there are about 20,000 family offices globally. It noted that family offices have become accustomed to operating in times of uncertainty, and are quite uniform in their approach.

In the post-pandemic era, they have begun to review the affairs of the families they serve and put structures and relevant planning in place to protect wealth amid potential legislative changes and reputation management.

Family office chief executives in Asia have a wider range of take-home salary, earning between \$158,001 and \$500,000.

In the Americas, family office CEOs take home a salary ranging between US\$198,001 (S\$267,800) and US\$264,000.

In Europe, the range is €198,001 (S\$292,000) to €264,000.

Most family offices in Asia have been in operation for 10 years or less, with 23 per cent in operation for two years or less. About 39 per cent have operated for more than 10 years.

In comparison, family offices that have operated for more than 10 years account for 60 per cent in the Americas and 53 per cent in Europe.

READ MORE ON B2



People walk along the Marina Bay waterfront in Singapore. Some 9 per cent of the world's family offices are located in Asia, with 59 per cent of these in Singapore, according to the 2023 Global Family Office Compensation Benchmark Report.

PHOTO: AFP

China's GDP expected to grow 5.4% in 2023

ANN/CHINA DAILY

China's GDP is expected to grow 5.4 per cent in 2023, according to a report by the Bank of China Research Institute released last week.

The global services sector recovered steadily in the second quarter of this year and the trend will continue in the third quarter.

The contribution of domestic demand to economic growth has increased, and China's GDP grew by 4.5 per cent in the first quarter. GDP is expected to grow by around 6 per cent in the second quarter and 4.9 per cent in the third quarter, according to the report.

Driven by pro-consumption policies and the accelerated release of service consumption, consumption is expected to maintain moderate recovery.

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