

Star BUSINESS

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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.

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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

some time to move from place to place in order to conduct repairs during the cultivating seasons," he said.

Subrata Ranjan Das, executive director of the ACI Motors Limited, said they are very confident about their after-sales service as they can respond to farmers' requests within six hours 90 per cent of the time.

ACI Motors has already sold around 3,000 machines under the project.

Das also said they have adjusted the General Packet Radio Services (GPRS) tracker system in machineries sold over the past two years so that they can trace any internal problems.

"Along with machinery, we have given the necessary mobile applications to farmers to get after-sales service promptly," he added.

On the other hand, Sadid Jamil, managing director of Metal Agritech Ltd, said there is some truth to the farmers' allegations.

"We are facing a shortage of skilled mechanics and trainers for repairing and maintenance," he added.

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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.

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STOCKS

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

COMMODITIES AS OF FRIDAY

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