



Md Masud Akand, a resident of the Dapdapia area of Jhalakathi, is seen giving children a ride on his horse for a fee of about Tk 10 to Tk 50 per person, earning him between Tk 500 to Tk 1,000 daily. The picture was taken recently.

PHOTO: TITU DAS

Stocks end slightly higher

STAR BUSINESS DESK

The indices of Dhaka Stock Exchange (DSE) rose slightly yesterday.

The DSEX, the benchmark index of the top bourse in Bangladesh, edged up 8 point, or 0.13 per cent, to close at 6,336.

The DS30, the blue-chip index, increased 0.10 per cent to 2,194 while the DSES, the Shariah-compliant index, went up 0.09 per cent to 1,374.

Turnover, a key indicator of the market, grew 32 per cent to Tk 855 crore.

Of the securities, 92 advanced, 91 declined and 187 did not show any price movement.

Western Marine Shipyard made the highest gain with an increase of 9.9 per cent.

Rupali Bank, Janata Insurance Company, Orion Infusion, and Apex Foods were among the top gainers.

Olympic Accessories was the highest loser, shedding 8.3 per cent.

Yeakin Polymer, Fu-Wang Ceramic Industries, Progressive Life Insurance, and Aramit Cement were also on the list of significant losers.

Fu Wang Food was the most-traded stock on the day with its issues worth Tk 70 crore changing hands.

Delta Life Insurance Company, Lubrrf (Bangladesh), ADN Telecom, and Sea Pearl Beach Resort & Spa also registered significant turnover as well.

Caspi, the all-share price index of the Chittagong Stock Exchange, added 14 points, or 0.07 per cent, to close at 18,718.

Of the issues, 58 rose, 70 retreated and 82 did not see any price swing.

Turnover of the port city bourse gained 16 per cent to Tk 14.41 crore.

Pragati's car sales plunge 75% for govt austerity measures

JAGARAN CHAKMA

The sale of vehicles of state-run automobile assembler Pragati Industries Limited has declined 75 per cent year-on-year in fiscal year 2022-23 owing to a halt in such purchases by the government.

Pragati sold only 177 vehicles in the year whereas 711 were sold in the preceding year.

According to a finance ministry circular of July 3, 2022, the government has ordered all government, semi-government and autonomous institutions to stop purchasing vehicles.

It is a part of austerity measures undertaken in the wake of global economic downturns following the pandemic and Russia-Ukraine war.

According to the circular, no more than 50 per cent of government allocations for such entities can be spent on entertainment, computers and related expenses.

"The government is the major buyer of cars assembled by Pragati. The sales reduced drastically as the government entities stopped purchasing cars," said Md Abul Kalam Azad, managing director (acting).

"Against this backdrop, profits declined to around Tk 4.5 crore in the last fiscal year from Tk 34.80 crore in preceding fiscal year," he said, adding, "We made a profit although our sales declined significantly."

Pragati assembles Pajero sport and double cabin pickup of Japanese Mitsubishi brand and buses of Indian Tata.

Private organisations and individual customers can also purchase vehicles from Pragati, said Azad.

Pragati provides brand new cars and their prices are lower than ones imported whole, he claimed.

The company also cannot raise prices all of a sudden without government approval although production costs have

Corporation (BSEC).

Pragati, the only public car assembling company in Bangladesh, started its initial journey by assembling buses and trucks of England's Bedford Company.

Amidst a crisis in the transport sector of the then war-torn Bangladesh, the company made an important contribution to the development of the road transport system by importing superior buses and Bedford trucks from England on an urgent basis.

Later, facilities for working with completely knocked down (CKD) units were set up and various brands of cars marketed from India, China, Korea and Japan.

Azad said they have a plan to assemble Mitsubishi sedans of 1.2 litre to 1.6 litre capacity for regular customers.

Pragati's target customers were only high government officials but the decision to assemble sedans was taken considering that the growing economy and affluent section of society, he said.

"We will expand necessary setups for assembling sedans with technical help of MMC, Japan. We reached consensus with the MMC regarding establishment of a CKD setup in May this year," he said.

"To implement this with approval of Prime Minister Sheikh Hasina, we sent our detailed plan to the MMC last week," he said.

He believes customers would get brand new "Made in Bangladesh" sedans in the near future at reasonable prices.

The government is the major buyer of cars assembled by Pragati. The sales fell drastically as the government entities stopped purchasing cars.

Md Abul Kalam Azad
Managing director (acting) of Pragati Industries

been increasing in tune with hikes in the price of the dollar, he said.

The story of the company dates back to 1966, when Gandhara Industries Ltd was established in Barabkunda of Chattogram with technical support from General Motors of the UK as a private company for the production of cars.

After Bangladesh won independence, the company was nationalised in 1972, named Pragati Industries Limited and placed under the control of the Bangladesh Steel and Engineering

Time to revise investment plan

JASIM UDDIN RASEL

There is a certain limit for investments in particular areas to avail tax rebate benefits by individual taxpayers as per the Income Tax Act 2023. Tax rebate is important for taxpayers to reduce tax liabilities significantly and save money for financial security in the future.

As per Income Tax Act 2023, the areas of investments are a few to get the tax credit facility, and if any taxpayers want to enjoy these benefits, they will have to invest in the areas mentioned in the law.

Sometimes, it is noticed that someone has invested but not in the sectors mentioned in the tax law or the investment is not in the appropriate manner. Due to these reasons, they fail to claim the full tax credit benefits.

Except for the deposit pension scheme (DPS) and life insurance, there was no cap to invest in government securities and mutual funds in the past. Now a limit has been fixed.

Let's discuss the investment opportunities where the full tax rebate benefit could be availed.

DPS

DPS is the most popular and easy way to save money.

And you can increase your savings in the DPS to get a good

refund at maturity.

Now you can maintain your DPS up to Tk 120,000 yearly instead of Tk 60,000.

Government securities

Savings certificates and treasury bonds are the most secured. They give comparatively higher returns to investors. You can invest up to Tk 500,000 in government securities.

If your investment goes past the ceiling, you will not be able to claim tax rebates for the exceeded amount. So, make an investment plan considering the highest return benefits.

Life insurance

You can take an insurance policy for you, your spouse and your children, and there are no changes per new tax law.

Government securities are the number one investment area and initially, invest up to the limit. And then go for DPS with a reputable scheduled bank or financial institution.

Only you have to keep in mind that your annual insurance premium does not exceed 10 per cent of the life insurance policy value. This was also maintained in the Ordinance, which was replaced by the tax law.

Mutual funds

In a mutual fund, you can invest up to Tk 500,000.

There was no bar for investments in mutual funds in the past. Now you will have to follow this limit if you want to get the tax rebate on your full investments.

Shares of listed companies

There is no limit to investments in the shares of the listed companies in the capital market.

Considering the five investment areas, your first two deciding factors will be a high return to grow your money fast and investment security to get the full amount at maturity. In that case, government securities are the number one investment area and initially, invest up to the limit. And then go for DPS with a reputable scheduled bank or financial institution.

When your investment cap of Tk 620,000 is reached, go for life insurance again with a reputable company. And finally, if you want to take the risk, go for mutual funds or shares of companies listed in the capital market.

Jasim Uddin Rasel is author of Smart Money Hacks

China's export slide to steepen Imports down, poll shows

REUTERS, Beijing

China's export slump is expected to have accelerated in June, as sluggish overseas economies struggling with inflation and rising interest rates buy up fewer goods from Chinese factories.

Outbound shipments from the world's second-largest economy were projected to have fallen 9.5 per cent year-on-year, following a drop of 7.5 per cent in May, according to the median forecast of 30 economists in the poll finalised on Wednesday.

That would be the worst decline since January, when China's supply chains were grappling with a wave of Covid-19 infections unleashed by the end of harsh pandemic-related restrictions.

Chinese factory activity has been shrinking in recent months and policymakers are now reckoning with the prospect of prolonged slower growth in the world's second-largest economy around just 3 per cent annually, according to economists' forecasts. That is less than half the rates typical throughout recent decades and creates the feel of an economy in recession.

One-third of respondents to the trade poll forecast that exports in June dropped by a double-digit percentage, as in January. Societe Generale was the most bearish, anticipating a drop of 15.7 per cent.

Imports in June are expected to have shrunk by 4.0 per cent, after a fall of 4.5 per cent in May, reflecting persistently weak domestic demand. China's trade data will be released on Thursday. Chinese consumer prices teetered on the edge of deflation in June while producer prices fell at their fastest pace in more than seven years, bolstering the case for further policy stimulus.

Yellen raised China's hopes for tariff cuts but US politics may crush them

REUTERS, Washington

US Treasury Secretary Janet Yellen's trip to China has raised hopes in Beijing that Trump-era tariffs on Chinese imports may be eased as she tries to smooth relations between the two nations, but strong anti-China sentiment in the US may make that impossible.

Trade and political analysts in Washington say that even though cutting some of the "Section 301" tariffs would help US companies and consumers, as well as Chinese exporters, doing so would expose Biden to a buzz-saw of Republican criticism at a dangerous time.

"The political calculus is pretty clear," said Harry Broadman, a former White House, World Bank and US trade official who is now a managing director with Berkeley Research Group. "That would be red meat for the opposition."

Looking soft on China could cost Biden the 2024 presidential election, he said, adding that anti-China sentiment in the US is four years, fueled by former President Donald Trump's China policies.

Yellen discussed trade irritants and other policy differences with China's

top economic officials and Premier Li Qiang for a marathon 10 hours over two days last week – meetings that she said put US-China ties "on surer footing."

US tariffs and high technology export controls to Beijing's new anti-espionage law that threatens the activities of US companies in China were among the

topics, the US Treasury said. Yellen said nothing publicly to indicate that the US was poised to ease tariffs, but commentators in China were hopeful, amid a US Trade Representative review.

In a statement on Monday, China's Finance Ministry called for the US to cancel punitive tariffs, roll back export

curbs and end import bans from Xinjiang province.

"Yellen has a say in the next phase of the US's four-year tariff review," said Hong Hao, chief executive of Grow Investment Group in Hong Kong. "While US might continue its technological curbs on China, a reduction or exemption of non-core tariffs against China is possible."

China's state-run Global Times, normally a harsh US critic, called Yellen a "professional and pragmatic" official who could influence the Biden administration to take such steps to improve the economic relationship.

Yellen last year advocated eliminating some duties on "non-strategic" goods as a way to ease some specific costs amid high inflation.

But US political pressure to raise China tariffs is growing, said Chad Bown, a trade economist with the Peterson Institute of International Economics who has researched them extensively.

"There is no political appetite to reduce tariffs on China – Secretary Yellen will do well in this political climate if they manage to stay where they are," Bown said.



US Treasury Secretary Janet Yellen attends a press conference at the Beijing American Center of the US embassy in Beijing on July 9.

PHOTO: AFP