

Bangladesh aligning accounting framework with global standards

STAR BUSINESS DESK

Bangladesh has been making significant strides in aligning its accounting framework with international standards, which is making it easier for investors to understand and engage with public authorities.

Experts made the comment at a webinar jointly organised by the Institute of Chartered Accountants of Bangladesh (ICAB) and the Financial Reporting Council (FRC) on Sunday.

FRC Bangladesh recently developed guidance and framework for various public enterprises (PEs) and statutory public authorities (SPAs), including local authorities.

"All public enterprise should follow level 1, accrual basis IPSAS," said Md Moniruzzaman, president of the ICAB, adding that larger bodies such as SPAs should follow accrual basis IPSAS. "Medium or small entities should follow relevant standards depending on revenue or gross receipts as applicable."

Mohammad Muslim Chowdhury, former comptroller and auditor general of Bangladesh, joined the webinar as chief guest.



A shop worker paints decorative designs on a piece of styrofoam for use as a backdrop in events, such as birthdays and weddings. Such items sell for a minimum of Tk 500. The photo was taken at the flower market at Shahbagh in the capital yesterday.

PHOTO: AMRAN HOSSAIN

4-year BSCIC project now entering 14th year

MD ASADUZ ZAMAN

A four-year industrial park project undertaken by the Bangladesh Small and Cottage Industries Corporation (BSCIC) in Sirajganj will enter its 14th year of construction due to delays in land acquisition and difficulties in obtaining approval from relevant ministries.

The Executive Committee of the National Economic Council (Ecne) yesterday approved the project for the fourth time without increasing costs. Previously, the project cost had risen three times during revisions.

However, the Implementation Monitoring and Evaluation Division (IMED) asked to complete all remaining works by 2024 and recommended not to extend the deadline further.

Aiming to create one lakh jobs, spur economic activity and reduce poverty in the northern districts, the industries ministry took up the project in 2014 at a

cost of Tk 379 crore.

The project was later revised for the first time, increasing costs to Tk 489.96 crore and extending the deadline to 2015.

The project endured two more revisions, taking costs to Tk 628.10 crore and then to Tk 719.21 crore while the deadline was extended once to June 2019 and then again to June 2021.

There were three further extensions until June 2023 but costs were not increased, according to planning commission documents.

The park covers 400 acres at Saidabad and Kalia Haripur in Sirajganj, which is expected to have around 801 industrial plots.

A total of 570 export-oriented and import-substitute domestic mills and factories will be set up in the industrial park, officials said.

Speaking to The Daily Star, project director Jafar Bayezid said they had completed 84 percent of the physical work

and expressed optimism to complete the rest of work in line with IMED's recommendations.

"A major gap remains in the construction of drainage, with around 70 percent work still to be done, and roads, with 60 percent of work left. We may complete it before the deadline," he said.

Bayezid blamed land acquisition and approval from different authorities taking too much time as reasons for the delays.

"We were handed over the land in 2014 but were unable to start work due to a lack of necessary approval from different authorities," said Bayezid.

"After getting environmental clearance, clearance from the water ministry and other official papers, land development work began in 2019. Price revisions were in tune with the situation as of that moment."

Meanwhile, the Ecne yesterday approved 19 projects worth Tk 18,066

crore at a meeting chaired by Prime Minister Sheikh Hasina.

The Mongla Port development project was approved at a cost of Tk 4,282.36 crore. The Chinese government is set to provide Tk 3,782.36 crore in loan under a government-to-government mechanism.

The remaining Tk 500.39 crore will be financed by the Bangladesh government. The project deadline is June 2027.

Another project, aimed at enhancing power infrastructure in the southern part of Chattogram division and Bangabandhu Hi-tech City in Gazipur, was also approved.

Other projects included further development of Bangladesh Agriculture University at a cost of Tk 363 crore, the "Conservation and Rehabilitation of Chandpur City" worth Tk 827 crore and the "Building roads, bridges, culverts and rehabilitation for Sunamganj and Habiganj areas damaged by flood in 2022" worth Tk 2,681 crore.

'CORR The Jute Works' marks 50 years of serving unprivileged women

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CORR The Jute Works, a trust of Caritas Bangladesh, has been working to develop the lives of unprivileged women in the country for the last 50 years, speakers said yesterday.

They were speaking at a discussion styled "50 years of love, nature and fair trade", organised for the non-profit's golden jubilee, at the Krishibid Institution Bangladesh Auditorium in Dhaka.

Sebastian Rosario, chairperson of CORR The Jute Works and executive director of Caritas Bangladesh, presided over the function, where Golam Dastagir Gazi, minister for textiles and jute, attended as chief guest.

Shishir Angelo Rosario, director of CORR The Jute Works, in his welcome address said the organisation started training programmes to go along with the production and export of handicrafts since its inception in 1973.

It began with the aim of providing a permanent source of income for women and widows in the war-torn country. It has since been working for vulnerable and disadvantaged women, disabled and marginalised communities and indigenous communities, he added.

Praising its activities, the minister said: "I appreciate CORR The Jute Works. I am happy to know that the organisation has implemented programmes to improve the quality of life of about 6,000 women over the past 50 years. I hope that many more people will follow in their footsteps and come forward to serve humanity."

Archbishop of Dhaka Archdiocese Bejoy N D'Cruz added: "Many poor families have been able to achieve family self-sufficiency through this institution. CORR The Jute Works did not buy food directly for the poor but made it possible for them to buy food."

UK unemployment rises to 4.3%

AFP, London

The UK unemployment rate edged higher to 4.3 percent in the three months to the end of July, as wage growth remained at a record high, official data showed Tuesday.

Unemployment had been 4.2 percent in the quarter to the end of June, the Office for National Statistics added in a statement.

The figures came a day after administrators of struggling UK household goods retailer Wilko said that more than 10,000 staff will lose their jobs after the firm failed to find a buyer.

Russian sellers stop fertiliser discounts to India

REUTERS, Mumbai/London

Russian companies have ceased offering fertiliser such as di-ammonium phosphate (DAP) to India at discounted prices due to tightening global supplies after becoming the biggest suppliers to the country last year, three industry sources told Reuters.

The move in August by Russian companies to instead offer fertilisers at market prices could increase India's import costs and subsidy burden amid a rally in global prices, as a top exporter, China, tries to curtail overseas sales.

"There are no discounts," said a New Delhi-based senior industry official involved in the negotiations with overseas suppliers.

"Russian companies are offering fertilisers at the market prices," the official said, declining to be named due to the sensitivity of the matter.

India's fertiliser imports from Russia surged 246 percent to a record 4.35 million metric tons in the 2022/23 financial year ended on March 31 as suppliers gave discounts to the global market price for DAP, urea and NPK fertilisers.

Russia's aggressive selling last year eroded the Indian market share of other fertiliser exporters including China, Egypt, Jordan, and the United Arab Emirates.

"Russian companies were offering DAP at discounts of as high as \$80 (per ton). However, now they are not offering discounts of even \$5," said another Indian company official.

Oil prices spike on tight supplies and upbeat Opec

REUTERS, London

Oil prices jumped by about 1 percent on Tuesday, boosted by a tighter supply outlook and Opec optimism over the resilience of major economies in the face of rising interest rates.

November Brent crude futures gained \$1.16, or 1.3 percent, to \$91.80 a barrel by 1335 GMT while US West Texas Intermediate crude futures for October firmed by \$1.35, or 1.6 percent, to \$88.64.

Brent breached \$90 a barrel last week for the first time in 10 months after Saudi Arabia and Russia announced they would extend a combined 1.3 million barrels per day (bpd) of voluntary supply cuts until the end of the year.

There is little doubt that the oil industry sees increasing likelihood of oil price inflation, said PVM Oil analyst John Evans, citing supply and demand fundamentals.

The Organization of the Petroleum Exporting Countries (OPEC) on Tuesday stuck to an upbeat demand growth forecast for this year and next.

Global oil demand is projected to rise by 2.25 million bpd in 2024, compared with growth of

2.44 million bpd in 2023, OPEC said in its monthly report. Both forecasts were unchanged from last month.

The International Energy Agency releases its forecasts on Wednesday.

In Libya, a deadly storm led the OPEC member to shut four of its eastern oil export terminals on Saturday.

Meanwhile, August US consumer price index data due on Wednesday is expected to provide some indication on the outlook for US interest rates. The Federal Reserve is widely expected to leave rates unchanged at a policy meeting next week, though views are split over whether it will raise rates in November.

The European Central Bank will announce its interest rate decision on Thursday. The European Commission on Monday forecast that the euro zone will grow more slowly than previously expected in 2023 and 2024.

Investors were also awaiting industry data on US crude stocks, due at 2030 GMT on Tuesday. Crude inventories were expected to have fallen by about 2 million barrels in the week to September 8, a preliminary Reuters poll showed on Monday.

Saudi firm to set up

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gratitude to DataVault for their interest and assured full cooperation from the ministry.

The discussion also explored potential investment opportunities in the information and communication

technology (ICT) sector and other areas in Bangladesh, the statement read.

GSM Jafarullah, managing director of Bangladesh Hi-Tech Park Authority, and officials from DataVault were present.

Founded this year,

Riyadh-based DataVault is a subsidiary of Vision Invest, a Saudi Arabian development and investment holding company focused on critical infrastructure.

Earlier, Yotta Data Services, an arm of Indian conglomerate

Hiranandani Group, announced it would be investing Tk 2,000 crore to build a tier-IV data centre in the hi-tech city.

In early August, Jafarullah told The Daily Star that construction of the data centre had already begun.

NBR asked to rationalise sugar, edible oil duties

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credit (LCs) – were taken to keep the supply of goods in the market uninterrupted.

He said that the Bangladesh Competition Commission was requested to investigate whether there were irregularities or monopolies in the poultry market.

The minister also said that the local market price of edible oil and sugar was adjusted from time to time in line with international market rates.

In response to a question from ruling Awami League MP Anwer Hossain Khan, the commerce minister said that prices of import-dependent daily necessities had increased due to higher transport costs, the Russia-Ukraine war and increasing dollar rates.

"The effects are being observed in the prices of daily essentials, including spicy items."

In response to a question from AL MP Benjir Ahmed, the minister said that in the last fiscal year of 2022-23, the total trade deficit with Saarc countries, including India and Pakistan, stood at \$7.5 billion.

Among Saarc countries, there is a maximum trade deficit of \$7.16 billion with

India, \$466.33 million with Pakistan, \$14.29 million with Bhutan, and \$1.49 million with Afghanistan.

On the other hand, there is a trade surplus with Nepal, Sri Lanka and the Maldives. Bangladesh's trade deficit with China is \$15.488 billion.

In response to a question from Awami League MP Ali Azam, Expatriates' Welfare Minister Imran Ahmad said that 11.25 lakh expatriate workers had been employed abroad in 2022-23 due to effective government measures.

In response to a query from AL MP Haji Selim, the minister said that there were agreements and memorandums of understanding with 18 countries and Hong Kong for the export of manpower.

The 18 countries are Kuwait, Qatar, Oman, Libya, the Maldives, South Korea, Malaysia, Jordan, Bahrain, Iraq, the UAE, Saudi Arabia, Brunei, Singapore, Mauritius, Cambodia, Greece, and Japan.

There are plans to sign agreements and MoU with other European countries, including Malta, Albania and Romania, he added.

Financial account

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The trade deficit, which takes place when imports surpass exports, narrowed to \$635 million in July from \$2.1 billion in the identical month of FY23, on the back of higher shipments and lower purchases from international markets.

Export was up 17.43 percent year-on-year in July while import dropped 14.92 percent.

Import payments have fallen mainly due to the austerity measures put in place by the government and the central bank to stop the depletion of the forex reserve, which has fallen by about 25 percent in the last one year.

A shortage of US dollars and a lingering gas crisis have also prompted many businesses and industries to slashed imports and

put their investment and expansion plans on hold.

But Hussain said: "It will not be possible to continue with the import curbs year after year, so stakeholders need to take measures on how to improve the financial account."

The noted economist pointed out that there is huge mismanagement since the monetary policy, the exchange rate policy

and the fiscal policy did not work to address the issue.

The current account balance returned to the positive territory at \$537 million from a negative \$449 million in July of FY23, central bank figures showed.

The country's overall balance was \$1.07 billion in negative in July of FY24, a slight improvement from \$1.08 billion in the same month of FY23.

Bangladesh Lamps Limited

Head office: House-22, Road-4, Block-F, Banani, Dhaka-1213

Price Sensitive Information

This is to inform you that the Board of Directors of the Company at its meeting held on 11-09-2023 at 2:45 p.m., decided to set up a production line for manufacturing plastic parts of Tube Light at its existing factory located at Ghashirdia, Shaspur, Shibpur PS, Narsingdi.

The expected cost for the project will be Tk 1.11 crore. The cost of the project will be arranged by bank borrowings. After completion of the project, it is expected that the net sales will be Tk 22.13 crore and the expected profit before tax will be increased by Tk 48 lac per year from the said project.

Further be informed that the Board of Directors of the Company at the said meeting decided to outsource GLS Bulbs and discontinue of GLS production line, from which the expected profit before tax will be increased by Tk 37 lac per year.

The reasons for the discontinuation of the production of GLS Bulbs are stated below:

- Decrease in sales volume by 50% against last year;
- Increase the manufacturing overhead cost due to idle capacity.

By order of the Board

Mohammad Ruhan Miah
Company Secretary

Dhaka
11-09-2023

TRANSTEC
ON and AHEAD