

## Walton launches trade in rupee with India

STAR BUSINESS DESK

Walton, an electrical, electronics and technology product manufacturer in Bangladesh, has started export trade operations with India in rupees. Standard Chartered Bangladesh executed the first Bangladesh-India export transaction for the manufacturer.

Walton Hi-Tech Industries PLC signed the first Bangladesh-India foreign exchange deal with this multinational bank at a hotel in the capital on Monday.

Golam Murshed, managing director and CEO of the hi-tech company, and Naser Ezaz Bijoy, chief executive officer of the bank, inked the deal in this regard, said a press release.

"Since the beginning of the Russia-Ukraine war, we have been facing a dollar crisis. The value of the dollar against the taka has been appreciated sharply, which has had a significant impact on the country's foreign exchange reserves. In such a situation, India and Bangladesh bilateral trade settlement in rupees has been introduced," said Murshed.

"Walton has started export trade with India in rupee to make this initiative of the two countries successful," he added.

The bilateral trade between Bangladesh and India was about \$16 billion dollars in the financial year 2021-22 whereas Bangladesh's export was \$2 billion.

Under the new system, Bangladeshi traders will be able to settle bills of up to \$2 billion for imports from India in rupees. Walton's initiative to start export trade activities with India in rupees will play a vital role.



Golam Murshed, managing director of Walton Hi-Tech Industries, and Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, pose for photographs after signing a Bangladesh-India foreign exchange deal at a hotel in Dhaka on Monday. PHOTO: WALTON GROUP

## Padma Bank introduces Islamic banking

STAR BUSINESS DESK

Padma Bank Ltd recently launched a Shariah-based banking service styled "Padma Bank Islamic", opening the doors to interest-free banking services for customers.

The journey of the new service officially started on May 25 with the promise of providing modern and digital banking services, the bank said in a press release.

Transactions are being managed by a completely separate Islamic software-based accounting system in 60 branches and 14 sub-branches across the country.

Any customer can avail Islamic banking services from anywhere in the country at any time. Anyone can open a "Padma Bank Islamic" account instantly through Padma Wallet and Padma Internet Banking.

Clients with Padma Bank Islamic debit cards can withdraw money from any ATM booth of any bank in the country completely free of cost.



Mohammad Habibur Rahman Chowdhury, deputy managing director of Prime Bank, and Hashim Ahmed, secretary of the Bangladesh Association of Software and Information Services, pose for photographs after striking a memorandum of understanding on the export retention quota account at the latter's office in Dhaka recently. PHOTO: PRIME BANK

## Prime Bank inks MoU with BASIS

STAR BUSINESS DESK

Prime Bank recently signed a memorandum of understanding (MoU) with the Bangladesh Association of Software and Information Services (BASIS) on export retention quota account.

Mohammad Habibur Rahman Chowdhury, deputy managing director and chief financial officer of the bank, and Hashim Ahmed, secretary of BASIS, inked the MoU at the latter's office in Dhaka, said a press release.

Under the agreement, members can park payments, received through inward remittance, in USD account and BDT account simultaneously.

Additionally, subject to regulatory requirements and bank policy, a member may move USD funds from their USD ERQ accounts to foreign accounts for legitimate business purposes.

## NRBC Bank takes PLC suffix

STAR BUSINESS DESK

NRB Commercial Bank Ltd has been renamed NRB Commercial Bank PLC with effect from September 17.

The Banking Regulation and Policy Department (BRPD) of the Bangladesh Bank issued a circular in this regard, said a press release.

As per the provisions of Section 11A (A) of the Company Act 1994, the name was changed in the list of scheduled banks.

SM Parvez Tamal, chairman of the bank, received a letter with the amended licence from the central bank and handed over the letter to Golam Awlia, managing director and CEO, at the bank's head office yesterday.

AM Saidur Rahman and Loquit Ullah, directors of the bank, and Mohammed Ahsan Habib, company secretary, were present.

## Mim becomes Berger Paints' brand ambassador

STAR BUSINESS DESK

Berger Paints Bangladesh Ltd made actress Bidya Sinha Mim one of its brand ambassadors.

The actress recently signed an agreement with the paint solutions provider in this regard, said a press release.

Mim will be integral to Berger's dynamic campaigns, engagement sessions and promotional activities, adding her charm and charisma to the brand's initiatives, Berger Paints said in a press release.



Actress Bidya Sinha Mim signed an agreement with Berger Paints Bangladesh recently to become a brand ambassador of the paint solutions provider. PHOTO: BERGER PAINTS BANGLADESH

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 19, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 72	-1.49 ↓	-3.65 ↓
Coarse rice (kg)	Tk 48-Tk 50	0	-1.01 ↓
Loose flour (kg)	Tk 42-Tk 45	-14.71 ↓	-15.53 ↓
Lentil (kg)	Tk 105-Tk 110	13.16 ↑	5.91 ↑
Soybean (litre)	Tk 155-Tk 160	0	-9.22 ↓
Potato (kg)	Tk 45-Tk 50	25 ↑	79.25 ↑
Onion (kg)	Tk 70-Tk 80	-9.09 ↓	76.47 ↑
Egg (4 pcs)	Tk 48-Tk 52	-2.91 ↓	5.26 ↑

SOURCE: TCB



Md Afzal Karim, managing director of Sonali Bank, Raju Daryani, Md Rezwan Al Bakhtiar and SV Ramanan, members of the board of directors of Sonali Intellect Ltd, SM Jahangir Akhter, chief executive officer of the company, and Subhash Chandra Das, deputy managing director of the bank, attend the 34th board meeting of Sonali Intellect at a hotel in Chennai, India on Monday. PHOTO: SONALI BANK

## US jobs market solid

AFP, Washington

The US labor market is remarkably solid despite aggressive interest rate hikes to fight inflation and a recent rise in unemployment, but analysts warn that the central bank risks pushing too far.

The Federal Reserve has lifted the benchmark lending rate 11 times since March last year, with consumer inflation cooling from a peak of 9.1 percent in mid 2022 to below four percent.

And Fed officials are gathering Tuesday for a two-day meeting that could see them raise rates again to lower inflation sustainably back to a two percent target — potentially adding pressure on employment — or hold them at current levels.

The Fed has a dual mandate that involves promoting stable prices and maximum employment, and walks a tightrope between lifting rates to cool the economy while averting a damaging labour market downturn.

While a rise in interest rates

typically comes with an uptick in joblessness as borrowing becomes more expensive, unemployment has held at historically low levels below four percent since early 2022.

And job creation is relatively high, said Moody's Investors Service senior vice president Madhavi Bokil. "Usually when (the) unemployment rate is so low, we don't get repeatedly 200,000-plus jobs," she said, referring to the hiring pace until May this year.

In another sign of resilience, the employment-population ratio among 25-54 year-olds is close to record levels, according to economist Elise Gould of think-tank the Economic Policy Institute.

At 80.9 percent, the figure is higher than it was pre-pandemic, above the level right before the Great Recession around 2008, and just slightly below the record level in 2000.

"I think that is showing a lot of strength," she said.

While in general falling inflation

is linked to rising unemployment, Bokil noted that a key factor in recent years was how households came out of the pandemic in a better economic position than before — between forced savings and government support.

The effects of monetary policy are linked to credit, and higher interest rates raise borrowing costs, Bokil added. Given that this in turn affects new borrowers or those trying to refinance their loans, "it's not surprising" to see a bigger lag between policy moves and effects on the economy.

"Because of the better balance sheets of firms, large ones especially, and households, we know there is going to be a larger lag in term of impact," she said.

While US Treasury Secretary Janet Yellen acknowledged in a CNBC interview on Monday that there are lags in the impact of monetary policy on the economy, "we still have a good healthy labor market," she said.

## Provident funds

FROM PAGE B1

He said while levying the tax, the government has not treated provident funds of the private and public sectors equally.

"It is discriminatory," he said, adding that they would appeal to the tax authority for the withdrawal of the tax on income from provident funds.

Private sector employees and an analyst said provident funds and gratuity were retirement benefits for those working in the private sector. They opined that because such funds offer a kind of social protection, any imposition of tax on them would reduce retirement benefits.

Debabrata Roy Chowdhury, director for legal, regulatory and corporate affairs at Nestlé Bangladesh PLC, said the introduction of income tax on trust funds would lower the overall income from such schemes.

"This will have an adverse long-term impact on retired employees of private organisations."

Chowdhury urged the authority to address the issue in line with the spirit of the government's initiatives

aimed at ensuring social security for private sector employees.

"The recent introduction of the universal pension scheme for private sector employees is a good example of that."

A senior official of the NBR, on condition of anonymity, said the income of government-managed provident funds was exempted in line with the Provident Fund Act 1925.

He said provident funds under the private sector had been historically exempted and there was no requirement to submit tax returns. As a result, it was unclear whether the funds were properly utilised.

"From now onwards, we will see proper disclosure."

The tax official said the contribution of payroll tax is about 3 percent of the total income tax although it should increase as the economy is growing.

Md Shahadat Hossain, a former president of the Institute of Chartered Accountants of Bangladesh, said income from investment in savings certificates, where people invest as a source of future earnings, is already

taxed. "From that perspective, the imposition of tax on provident and other employee welfare funds seems okay."

However, Towfiqul Islam Khan, senior research fellow at the Centre for Policy Dialogue, said social protection for private sector employees was low.

"Provident and other workers' welfare-related funds provide little social protection. The imposition of tax will increase inequality. But there can't be any discrimination in taxation between private and government provident funds."

Khan, citing the latest income tax law that replaced the Income Tax Ordinance 1984, said the NBR tried to find new avenues to increase tax collection and improve the nation's revenue gross domestic product ratio, which is one of the lowest in the world.

"We can see the desperation of the tax authority to boost collection. This ultimately reveals the inability of the NBR to catch the tax evaders and illicit money makers."

## Working in China harder

FROM PAGE B4

But, after three "turbulent" years, he said, "many have re-evaluated their basic assumptions about the Chinese market."

At a separate media event on Tuesday in Beijing, the European Commission's digital chief said opaque Chinese laws were fuelling concerns among foreign firms in the country after holding talks with Chinese officials about critical areas such as AI and data governance.

Among the concerns Vera Jourouva said she had heard about from European businesses in China was the "unpredictability of the decisions and interpretation of the laws by the regulators".

Foreign entrepreneurs have long complained about vague and

arbitrary regulations in China — as well as preferential treatment afforded to local companies.

And one in two European companies reported "obstacles" to their activities in China and 62 percent said they missed opportunities.

"What kind of relationship does China want to have with foreign enterprises?" the Chamber asked.

Respondents' optimism about the next five years was the lowest ever recorded in the survey, AmCham Shanghai said, with just 52 percent saying they had an optimistic outlook, down three percentage points from the year before.

Asked to pick the top three challenges to their company, 60 percent of the 325 companies who responded to the survey chose US-

China relations, while the same amount pointed to the economic slowdown.

Four out of 10 were planning to or already in the process of redirecting their investment away from China to other countries, up six percentage points from last year, with Southeast Asia the top alternative destination. AmCham said two-thirds of respondents under pressure to decouple from the Chinese market had pointed to US policy as the largest push factor, rather than Beijing's.

European businesses also pointed to a revision to China's anti-espionage law, introduced in July, as undermining confidence.

Experts and Western governments have warned the law gives authorities more leeway in implementing already opaque national security legislation.