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## US firms want to invest in IT, energy

Says official

STAR BUSINESS REPORT

US companies want to invest in five sectors of Bangladesh, namely IT, education, healthcare, energy and infrastructure, said John Fay, commercial counsellor at the US embassy, yesterday.

For attracting more US foreign direct investment in those areas Bangladesh needs to improve the investment climate, Fay said at a monthly luncheon meeting of the American Chamber of Commerce in Bangladesh (AmCham) at The Westin Dhaka.

These are also sectors which, if developed correctly, can become valuable investments in Bangladesh's future as it graduates to middle income status — to get to the next level of prosperity, he said.

"US industry is

**For attracting more US investment in those areas, Bangladesh needs to improve the investment climate, said a US embassy official**

Bangladesh's largest foreign investor with a total \$4 billion invested in the country. I would be happy to see this amount grow," he said.

But despite the strong interest from the US private sector that this investment total represents, there remains many challenges to the US and other foreign firms here, he said.

This includes payment issues, and the ability to repatriate earnings and revenue as well as non-transparent rule and inadequate enforcement of intellectual property rights, he said.

There are also significant logistical and transportation infrastructure gaps in Bangladesh that hamper and slow down trade in goods, he said.

All these issues limit Bangladesh's ability to achieve its full trading potential and they create

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State-run Chhatak Cement Company in Sunamganj has been out of operation since March 2020 owing to an ongoing modernisation project that could not be completed on time and is seeking an extension of the implementation deadline for the third time. The factory also faces uncertainty over the supply of limestone, the key raw material.

PHOTO: SHEIKH NASIR

## UNCERTAINTY LINGERS over Chhatak Cement's return to operation

MD ASADUZ ZAMAN, DWOHA CHOWDHURY and PALLAB BHATTACHARYA

State-run Chhatak Cement Company in Sunamganj might not return to production anytime soon as its modernisation project is set to miss the deadline for the second time while uncertainty over the supply of the key raw material persists.

Initiated in 2016, the project aims to replace the existing wet process with the dry one and ensure a daily output of 1,500 tonnes in a fuel-efficient and eco-friendly way, up from 200-300 tonnes when it was last operational in March 2020.

The delay comes despite the construction of the factory, silos and other important components and largely because the supply of the key raw material — limestone — from India is yet to be finalised and the new ropeway has not been installed.

Even if the neighbouring country agrees to supply limestone, imports can't start immediately since the construction of the ropeway will

take at least another two years. "If the process of procuring limestone from India is not finalised soon, there is a possibility of a further delay in the production of cement from the plant," said the Implementation

private company named Assam Bengal Cement Factory and was nationalised in 1966.

The Bangladesh Chemical Industries Corporation (BCIC) has been running the factory since 1982 and producing cement



Monitoring and Evaluation Division (MED) in a report on the modernisation of the country's first state-owned cement factory.

Due to a lack of approval for building the new ropeway on the Indian part, uncertainty has arisen in completing all of the tasks of the project, said the report, which was published in June.

Chhatak Cement Company was established in 1937 as a

using the age-old wet process method.

Initially, the annual production capacity was 60,000 tonnes. In 1987, it was increased to 2.33 lakh tonnes. But due to the ageing machinery, it had dropped to 200-300 tonnes.

As a result, the state-owned cement manufacturer has become a loss-making company despite huge potential, said the

IMED report.

In 2016, the BCIC took a Tk 667 crore project to modernise the manufacturing system in four years and set up a modern clinker factory.

However, the project could not be completed on time, prompting the government to revise the deadline to December 2023 and the cost to Tk 890 crore.

BCIC also brought changes to the initial plan. Instead of renovating the existing ropeway that fetches limestone from India, the state agency has decided to construct a new ropeway and added a 10-megawatt power plant instead of 6MW.

Besides, there was a need for an extension of the project as a lot of time had been wasted in processing tenders, including the appointment of consultants, according to a planning commission document.

Amid the sharp appreciation of the US dollar against the taka, BCIC has recently proposed the planning ministry extend the project's deadline to June 2025 and raising the budget to Tk 1,418 crore.

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## Stop injecting fresh money into economy

Wahiduddin Mahmud tells BB

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Noted economist Wahiduddin Mahmud yesterday urged the Bangladesh Bank to stop pumping fresh money into the economy in order to rein in runaway inflation and tackle the current economic crisis.

In the last fiscal year that ended in June, the government took a record Tk 98,000 crore in loans from the Bangladesh Bank to run its operations.

But a significant injection of such funds, known as high-powered money, contributes to stoking inflationary pressure and Bangladesh is already witnessing record inflation because of that.

Average inflation rose 23 basis points to a 12-year high of 9.92 percent in August against the government's full fiscal year target of 6 percent. In July, it stood at 9.2 percent.

Mahmud, a former adviser to the caretaker government, made the suggestion during a meeting with the central bank governor Abdur Rouf Talukder as the banking regulator started to take opinions from the economists and other stakeholders to ride out the economic crisis.

Deputy governors Kazi Sayedur Rahman, AKM Sajedur Rahman Khan, Abu Farah Md Nasser and Nurun Nahar were present in the meeting. Chief Economist Md Habibur Rahman presented a paper about the current situation of the economy.

After the meeting, Bangladesh Bank Spokesperson Md Mezbahul Haque told reporters: "We informed Prof Wahiduddin Mahmud about

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## Revenue collection up 15% in Jul-Aug

REJAUL KARIM BYRON and MD ASADUZ ZAMAN

Government revenue collection in the July-August period, the first two months of the current fiscal year of 2023-24, has increased by nearly 15 percent year-on-year, thanks to a rise in VAT from multinational companies.

Some Tk 46,233 crore was collected by the National Board of Revenue.

Of this amount, Tk 17,940 crore is value added tax (VAT), Tk 12,100 crore income tax while Tk 16,192 crore customs duty.

Growth for each segment has been recorded at 19.34 percent, 16.39 percent and 8.94 percent respectively.

Around 50 percent of the VAT usually comes from companies, including multinational ones, listed under the NBR's Large Taxpayers Unit (LTU), Value Added Tax wing.

The VAT from the LTU companies, such as those selling tobacco products, increased by 27.78 percent to Tk 8,589 crore, said an NBR official.

Of the overall VAT, anywhere from 10 percent to 21 percent comes from each of the Chattogram, Rajshahi and Sylhet areas.

Excluding the LTUs, Tk 2,347 crore of the VAT has been generated in Chattogram.

The VAT collection increased, in part, for some mega projects including the Bangabandhu tunnel and Matarbari thermal power plant, a former VAT commissioner of Chattogram told The Daily Star on requesting anonymity.

However, the VAT collection from Dhaka was very poor, with Dhaka south recording only 2.52 percent growth while Dhaka north 6.51 percent.

As for the lower collection in custom duty, he attributed it to a decrease in imports.

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In this file photo, tourists are seen at Shada Pathor, a popular tourist destination in Companiganj of Sylhet. A tourism fair started yesterday at the Bangabandhu International Conference Centre and will continue till Saturday.

PHOTO: STAR/FILE

## Increase investment in tourism

Stakeholders say

STAR BUSINESS REPORT

Bangladesh has massive potential as an emerging destination for tourists so the government should take necessary steps and the private sector should increase investment, stakeholders said during the opening ceremony of the three-day 10th Asian Tourism Fair (ATF).

The fair, organised by Parjatan Bichitra, started yesterday at the Bangabandhu International Conference Centre and will continue till Saturday.

"We are doing our best to make Bangladesh an emerging destination in the world. Our master plan is now ready and we are determined to implement it for the betterment of all those involved in the travel, tourism, hospitality, and aviation sectors," said

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