

The expansion of maize cultivation in northern Bangladesh has slowed this year due to higher input costs

Story on B4



## 4.66 lakh migrants returned home permanently

Says BBS report on past 2 years

REJAUL KARIM BYRON and JAMIL MAHMUD

A new report from the Bangladesh Bureau of Statistics (BBS) shows that a total of 466,666 Bangladeshi expatriates permanently returned home in the past two years.

According to the "Population and Housing Census 2022: National Report (Volume I)", 1.54 lakh or 33.03 percent of the returnee expatriates were from Chattogram division followed by 1.32 lakh or 28.48 percent from Dhaka division.

The report added that 8.42 percent of the expatriates who returned home permanently were from Khulna division, 7.82 percent from Rajshahi division, 7.33 percent from Sylhet division, 5.29 percent from Mymensingh division, 5.15 percent from Rangpur division, and the lowest, 4.49 percent, from Barishal division.

The report, recently published on the BBS website, also showed that 27,842 foreigners were staying in Bangladesh during the census period. Of them, 21,208 are males and 6,634 are females.

Analysing the data on foreigners by division, it was observed that the highest number of foreigners, or 40.41 percent, reside in Dhaka, while 16.14 percent reside in Chattogram, 15.75 percent in Rajshahi, 12.06 percent in Barishal and 1 percent in Mymensingh, says the report.

Prof Selim Raihan, executive director of South Asian Network on Economic Modeling, said it is a "natural

READ MORE ON B3



## Income tax act lacks pro-people attitude: experts

STAR BUSINESS REPORT

There should have been more consultation with stakeholders before the finalisation of the recently-passed Income Tax Act 2023 as there is a scope for taxpayers to fall prey to harassment during payment of tax, experts said.

The act was passed in the national parliament on June 15 this year after being passed by the cabinet committee on June 8, leaving the standing committee of the parliament with inadequate time to discuss the act.

For instance, no provision was included for the extension of tax return submissions after the expiration of the set timeframe. There is no option for submitting applications to the tax administration, either from individual taxpayers or corporations. Only the tax administration can extend the tax return submission deadline under certain conditions.

If the date is not extended for any reason, taxpayers will face a big challenge, experts added.

Another concern is that many people are not aware of the act although it is



closely related to their income and life. Even international communities are not aware of this act, which may affect the inflow of foreign direct investment.

The income tax act is also missing principles of justice as there is a possibility of collecting tax from individuals who are not supposed to be paying taxes, said Alamgir Hossain, former member of the National Board of Revenue (NBR), as a panel discussant at a seminar titled "Income Tax Act 2023 - Due Diligence by the Taxpayers".

READ MORE ON B3

# Rising deposit rates bring cheers to savers

MD MEHEDI HASAN

The interest rates on deposits are on the rise in keeping with lending rates as banks look to woo funds to ride out the liquidity crunch following the withdrawal of the lending rate cap and the hike in the policy rates.

Although the central bank initiatives, aimed at making loans costlier to fight the elevated level of inflation, have increased the cost of borrowing, it has started to yield better returns for savers.

In fact, the interest rates on all kinds of deposits have been rising since the withdrawal of the lending rate ceiling in June. The recent policy rate hikes have pushed up the rates higher.

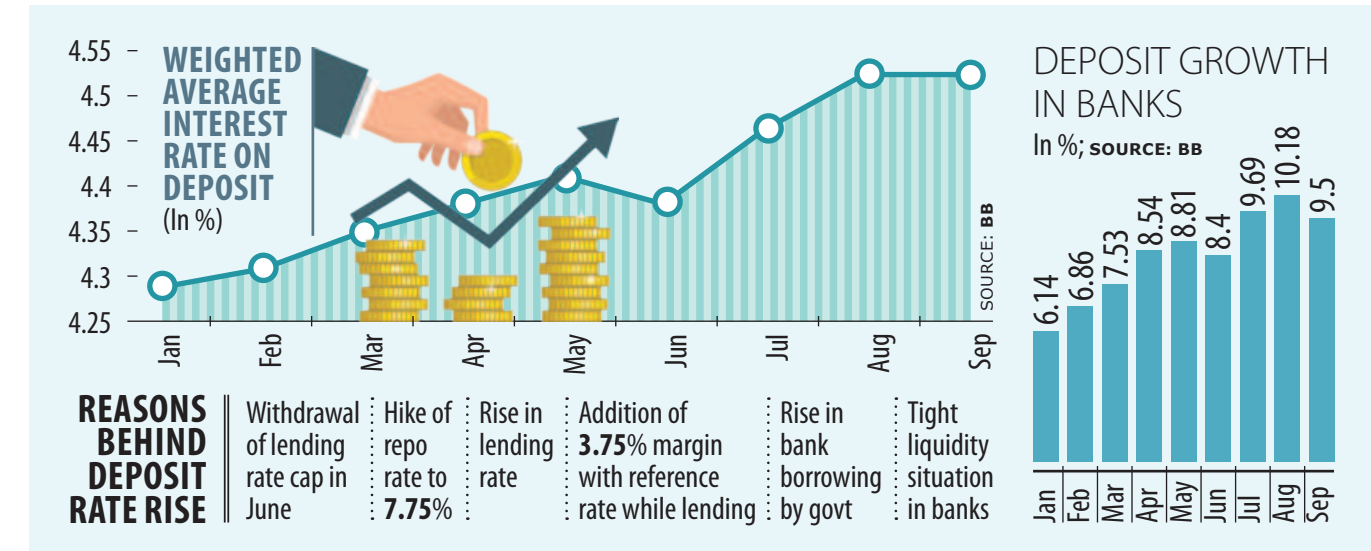
In September, the weighted average interest rate on deposits stood at 4.52 percent, up from 4.38 percent in June, figures from the central bank showed. It was 4.09 percent in September last year.

"The deposit rate has increased sharply due to a spike in the lending rate," said Mirza Elias Uddin Ahmed, managing director of Jamuna Bank. Currently, the maximum interest rate on deposits is as high as 9.50 percent.

The call money market has also seen a spike in the interest rate, leading to a rise in deposit rates.

Yesterday, the average call money rate was 8.36 percent and the interest rate for the 14 day call money rate was 10.75 percent, according to the Bangladesh Bank.

The central bank on Sunday hiked the policy rate to 7.75 percent, the eighth increase in the past 19 months as inflation shows no sign of falling. But Ahmed



doubts whether it would be effective.

Average inflation rose 9.93 percent in October, way above the central bank's target of 6 percent for the current fiscal year.

The BB also increased the margin by 25 basis points to 3.75 percent that banks can add to the SMART (Six Months Moving Average Rate of Treasury Bills) rate while disbursing loans.

Thus, the maximum lending rate will be 11.18 percent in the banking sector because the reference rate stands at 7.43 percent.

Implementing a hike in lending rates takes some time, but the deposit rate has started to increase after the announcement of the rate increases, said Ahmed.

"Some Shariah-based banks face liquidity shortage. On the other hand, there is no liquidity shortage in some banks. This mismatch has created pressure in the market."

Speaking to The Daily Star, a private banker based in Dhaka said his bank is offering as high as 9 percent deposit rates.

"This, however, depends on the volume of the funds and the tenure of the fixed deposits. The higher the volume, the higher the rate is. The same is also true if depositors agree to park funds for a longer period."

Another private banker who is posted in Jamalpur said his bank has raised the deposit rate to attract funds.

The rising deposit rates have accelerated the deposit growth at banks:

the deposit growth stood at 9.5 percent in September, up from 8.4 percent in June, showed central bank data. The growth was 6.14 percent in January.

Anis A Khan, a former chairman of the Association of Bankers Bangladesh, welcomed the latest policy rate hike.

"This will also increase the liquidity in the market because savers who hold funds at their disposal will return to banks because of the good return."

The former managing director of Mutual Trust Bank also said the currency outside the banking system is decreasing due to the rise in the deposit rates.

In September, the currency outside banks stood at Tk 2,53,505 crore, down from Tk 2,91,913 crore in June, BB data showed.

## Shipbuilders get more time to reschedule loans

STAR BUSINESS REPORT

The Bangladesh Bank (BB) yesterday extended the deadline for shipbuilders to reschedule their defaulted loans by one month through a down payment of 2.5 percent.

The central bank said shipbuilders would have to apply for the rescheduling of their loans within December 31.

In September, it granted two and a half months for borrowers in the shipbuilding sector to reschedule their loans.

This is the third time since June that the BB has granted more time for shipbuilders to regularise their loans.

It first offered rescheduling the loans for a period of 10 years, which includes a two-year grace period.

In a circular yesterday, the central bank said a good number of borrowers could not take advantage of the benefit for various reasons.

Since they could not apply for rescheduling, it extended the deadline until December 31 this year.

As of December 2022, the amount of non-performing loans (NPLs) in the shipbuilding and ship-breaking industry stood at Tk 4,760 crore out of a total of roughly Tk 21,220 crore in outstanding loans, according to the banking regulator's Financial Stability Report.



Rows of peanut shrubs rise up from the bare sands of Saghata, a char on the banks of the Jamuna river in Gaibandha. The plants need very little care and mineral nutrients while the oblong pods take just around five months or so to mature underground. Some 74,748 tonnes were grown in fiscal year 2021-22, according to the Bangladesh Bureau of Statistics. The photo was taken last Friday.

PHOTO: MOSTAFA SHABUJ

# First ever policy on halal certification comes to light

STAR BUSINESS REPORT

The government has framed a policy on halal certification in order to facilitate the local production and marketing of shariah-compliant foods, pharmaceuticals and cosmetics.

From now on, businesses making export and import goods marketed as halal will require the certification and associated logo, according to the policy issued by the Bangladesh Islamic Foundation (BIF) last week.

"This policy will be a guideline for halal certification," said Md Abu Saleh Patwary, deputy director for halal certification at the BIF, which operates under the Ministry of Religious Affairs.

This is the first policy for halal certification by the BIF, which drafted the

**From now on, businesses making export and import goods marketed as halal will require the certification and associated logo**

rule in 2015 with the aim of promoting halal products and thereby enabling local producers to cater to global demand.

Patwary said the policy had gone through changes and refinement before finalisation.

In its halal certification policy, the BIF said it would issue certificates and the halal logo to companies on behalf of the government. The certification will have a tenure of one year.

"But the tenure could be extended

by two-three years depending on the standard of factories," said the policy.

As per the policy, authorities will conduct sudden inspections or verifications to ensure that products marketed as halal are made in line with relevant rules.

The BIF said no raw materials, ingredients or additives that are not halal under shariah can be used to make and market foods or consumer goods, cosmetics and pharmaceuticals.

Good manufacturing practices and standard sanitation operating procedures will also have to be followed in making the goods, it added.

Besides, no halal food items can be produced, processed, packaged, stored or transported along with items prohibited by Islamic law, according to the policy.

READ MORE ON B3

STOCKS	
DSEX ▼	CASPI ▼
0.32% 6,209.44	0.34% 18,422.54

COMMODITIES	
Gold ▲	Oil ▼
\$2,012.69 (per ounce)	\$75.13 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.07% 65,970.04	▼ 0.53% 33,447.67	▼ 0.27% 3,086.42	▼ 0.30% 3,031.70



**MUDARABA SAVINGS ACCOUNT**  
Simple Living in Shariah-compliant way  
primebank.com.bd

HASANAH  
ISLAMIC BANKING

Prime Bank



Scan to experience  
Prime Bank world in AR