

Govt extends tenure of Haripur power plant

STAR BUSINESS REPORT

The government has extended the operational tenure of the Haripur 300-megawatt gas-based power plant by another 10 years.

The Cabinet Committee on Purchase at a meeting yesterday approved a proposal to this end placed by the Power Division.

During the extended period, the government will purchase each unit of electricity from the plant for 4.05 US cents.

For this, the government will spend a total of Tk 1,855 crore.

The power plant established in 1997 was initially set to run for 22 years until November this year.

Oil prices rebound

AFP, New York

Wall Street stocks rebounded Tuesday behind solid retail data and reassuring comments from Federal Reserve officials, while oil prices rose and the dollar slid.

World stock markets, including in New York, have made robust gains in recent weeks on hopes that the US central bank had finished with hiking rates and could cut borrowing costs next year as inflation cools.

While Wall Street's main indices spent some time in the red, they moved higher as the yields on US government bonds fell.

An indication of lower inflation expectations and borrowing costs, a drop in bond yields is generally supportive of equities.

Federal Reserve Governor Christopher Waller said he was "encouraged" by recent progress on the economy and more confident inflation was returning to the Fed's desired level.



Workers are seen unloading stalks of kans grass from a trawler at Kalibari market in Wazirpur upazila of Barishal. Collected from pastures along the Jamuna and Padma rivers, the material used for making shades that shield crops like betel leaf from sunlight is selling for about Tk 100 per handful.

PHOTO: TITU DAS

Gold nears Tk 1.10 lakh per bhori

STAR BUSINESS REPORT

The skyrocketing gold prices are all set to hit a new record as the Bangladesh Jewellers' Association (Bajus) has decided to sell each bhori of the precious metal at nearly Tk 1.10 lakh from today.

The standing committee on pricing and price monitoring of Bajus took the decision in a meeting yesterday, citing the rise in pure gold prices, the association said in a statement.

The decision to hike prices of the popular metal comes three days after the association fixed the rate at Tk 1.08 lakh per bhori (11.664 grams) of 22-carat gold, up 1.64 percent from the previous rate.

In July, the gold price crossed the Tk 100,000-mark for the first time in Bangladesh.

Prices of gold have been on the rise in the global market. During the July-September period of 2022, gold was traded at an average of \$1,726 per troy ounce (31.10 grams). The average price was 11 percent higher at \$1929 per troy ounce in same period this year, according to World Bank Commodities Price Data (The Pink Sheet).

In October, the price of gold was \$1,916 per troy ounce.

There is no proper estimate on the demand for gold in the country.

Interest rates for NBFIs rise further

STAR BUSINESS REPORT

The interest rates of loans and deposits in non-bank financial institutions (NBFIs) increased further as the central bank hiked the interest margin by 25 basis points to make money costlier with the aim to curb skyrocketing inflation.

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

The central bank's decision to increase the interest margin in the NIFI sector follows a similar decision taken for commercial banks a few days back.

The previous interest margins were 2.50 percent for deposits and 5.50 percent for lending.

As per the decision, NBFIs now can add a 2.75 percent margin with the reference rate, also known as SMART, for deposits.

Likewise, NBFIs can now add a 5.75 percent margin with the reference rate of 7.43 percent for lending.

As a result, NBFIs' lending rate will

be 13.18 percent and deposit rate will be 10.18 percent for this month.

Previously, some NBFIs offered a maximum of 15 percent interest against deposits.

The six-month moving average rate of treasury bills, abbreviated as SMART, was 7.43 percent in November.

The central bank on Sunday raised the repo rate by 50 basis points to step up its fight against persistently high inflation.

The repo rate is the rate at which the Bangladesh Bank lends money to commercial banks and financial institutions.

Now, the policy rate stands at 7.75 percent. Sunday's increase was the eighth hike in the repo rate in the past 19 months as inflation has kept surging.

At the press briefing on Sunday, Bangladesh Bank Chief Economist Md Habibur Rahman said the central bank hiked the rates to bring down point-to-point inflation to 8 percent by December this year and 6 percent within June next year.

E-payment mandatory for VAT of Tk 10 lakh or above

STAR BUSINESS REPORT

Businesses will have to deposit value-added tax (VAT) of Tk 10 lakh and above through electronic payment or automated chalan from the first day of January next year, the National Board of Revenue (NBR) said yesterday.

Until now, firms had to deposit net vat, an indirect tax paid by consumers, amounting to Tk 50 lakh or higher through e-payment. The number of such VAT registered entities with high turnover is a few hundred.

Following the directive, an increased number of firms will come under e-payment, officials said.

The NBR, which collects 87 percent of the tax revenue for the state, said it is working to develop a modern online-based VAT system in the country.

It said businesses will be able to settle VAT deposits faster through e-payment or automated chalan. The e-payment will also be instrumental to prevent forgery, it added.

"We are encouraging e-payment," said NBR Member VAT Policy Zakia Sultana.

Md Helal Uddin, president of the Bangladesh Shop Owners Association, welcomed the decision.

"We have no problem with paying through electronic system. What is needed is smooth functioning of the online system, including its server, so that we can comply without hassle," he added.

Bangladesh has 4,600 VAT registered entities. VAT, also known as consumption tax, is the biggest source of revenue for the NBR.

The indirect tax was 39 percent of the total tax revenue of Tk 327,667 crore in fiscal year 2022-23.



New Yamaha bikes hit market

STAR BUSINESS DESK

ACI Motors Ltd, a distributor and technical collaboration partner of Yamaha motorcycles in Bangladesh, has brought two new bikes with modern features to the market.

One is Yamaha's premium sports segment scooter, Aerox 155cc. The market price of this scooter is Tk 5.30 lakh, read a press release.

The scooter has advanced technologies like traction control, ABS, VVA and Y Connect.

The other new addition is a dark matte blue FZ-X, which incorporates a traction control system to give the rider exceptional



Subrata Ranjan Das, executive director of ACI Motors, and Eishin Chihana, chairman of Yamaha Motor India Group, launch two new Yamaha bikes at the ACI Centre in Tejgaon, Dhaka on Tuesday.

PHOTO: ACI MOTORS

US retailers cheered by solid 'Black Friday' sales

AFP, New York

Retailers reported Tuesday a solid start to the US holiday shopping season with more than 200 million people hitting stores and online vendors over a key five-day stretch.

The period includes "Black Friday," the day after the US Thanksgiving holiday, and "Cyber Monday," both known for heavy promotions designed to entice robust spending on gifts.

"The five-day period between Thanksgiving and Cyber Monday represents some of the busiest shopping days of the year and reflects the continued resilience of consumers and strength of the economy," said Matthew Shay, president of the National Retail Federation (NRF).

The NRF estimated total turnout during the five-day stretch was 200.4 million, up nearly four million from the year-ago level.

Top gift items included clothing and accessories, toys, gift cards and video games, the NRF said.

Consumer goods experts had predicted a decent but unspectacular holiday shopping season, with a still-strong labor market offset somewhat by consumer inflation that has moderated in recent months.

Tax collection falls short

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At Tk 365,862 crore whereas its target was Tk 432,999 crore.

However, the NBR's revenue collection increased 9.13 percent year-on-year to Tk 319,684 crore.

The NBR's revised revenue collection target was Tk 370,000 crore.

The government had to restrict imports to stabilise the country's foreign currency reserves in the aftermath of the Russia-Ukraine war, said the finance ministry official.

As a result, revenue collection fell short of the target, said the official.

Another IMF loan condition for the second tranche was that the budget deficit for last fiscal year could not be more than Tk 168,640 crore.

However, the country's budget deficit last fiscal year stood at Tk 198,046 crore.

The official said the IMF would review the budget deficit condition deducting interest payment and grants.

Last fiscal year the government made interest payments of Tk 83,944 crore and received Tk 2,749 crore in foreign grants.

The government's actual budget last fiscal year was nearly Tk 700,000 crore, which came to stand at Tk 660,508 crore in the revised budget.

Finally, the government could implement Tk 563,921 crore from the

revised budget.

By reducing its expenditure, the government was relieved from maintaining its budget deficit.

The IMF's recommended target is to keep budget deficits within 5 percent of the GDP.

In the revised budget, Bangladesh's budget deficit target was 5.12 percent of the GDP. However, the budget deficit finally came to stand at 4.46 percent of the GDP.

The government had to restrict imports to stabilise the country's foreign currency reserves in the aftermath of the Russia-Ukraine war, said the finance ministry official.

As a result, revenue collection fell short of the target, said the official.

The chamber said that the Income Tax Circular 2023-24 was published late and there was a lack of awareness among taxpayers about the new law, passed in June this year.

A senior official of the NBR said the tax authority considered an extension so taxpayers could file returns in compliance with the new law.

The NBR extended the deadline for income tax return submissions till December 31 last year.

Bangladesh has 94 lakh registered taxpayers. However, the number of return filers remains low.

Nearly 36 lakh taxpayers filed their income and expenditure statement in the year 2022-23, up 38 percent year-on-year from 25.9 lakh, NBR data showed.

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Banks appreciate

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During July to September of this fiscal year, Bangladesh received \$10 billion in export proceeds, down from \$13 billion in the same period of the last fiscal year, as per the central bank's provisional data.

In October, the BB had directed banks to realise the previous exports proceeds within 31 October.

Bafeda and ABB began to appreciate the taka against the US dollar last week. They first appreciated the taka by Tk 0.50 against the US dollar, deciding to buy the greenback at Tk 110 from exporters and remitters and sell at Tk 110.5 each.

However, these rates exist only on paper. In reality, banks are trading foreign currency at a higher rate.

Mustafa K Mujeri, a former chief economist of the central bank, told The Daily Star that this rate is not effective in the market.

As per the economist, no transactions in the market are done at the rate determined by Bafeda-ABB.

The central bank bought \$70 million on Monday and Tuesday from Islami Bank. As per central bank officials, it wants to deliver the message to the market that the banking sector is holding on to excess dollars through that purchase.

Bangladesh Bank spokesperson and executive director Md Mezbau Haque recently told journalists that only 21 banks had a shortage of dollars while the rest had an excess.

"Our efforts started from simplifying the account opening process to easing money transactions to ensuring the seamless payment process, which will also help us get better business output from the market. The government also got huge revenue from us through it," Mishuk added.

In another notification, the

IPDC Finance MD resigns

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horizons from January 2024," the company said in a statement.

Islam joined IPDC in 2006 as head of operations and technology and ascended to the position of managing director and CEO in 2012.

Commenting on this, Islam said: "This has been an impactful journey with IPDC. I've had the privilege of collaborating with amazing colleagues, the most versatile board, and our loyal customers."

"Leaving behind a competent team to carry the legacy forward fills me with pride. I'll proudly remain a brand ambassador of IPDC, cherishing the memories created and successes forged during our time together," he added.

The company said his four-term reign as managing director propelled IPDC Finance to unprecedented heights.

"Under his stewardship, the organisation's balance sheet experienced tenfold growth while maintaining Non-Performing Loans (NPL) at an industry-low level putting the company as the market leader

in terms of market valuation," the statement read.