

NBR's revenue collection sees 14.36% growth in July-Oct

BSS, Dhaka

The revenue collection by the National Board of Revenue (NBR) from income tax, customs and VAT during the July-October period of the current fiscal year (FY24) witnessed a 14.36 percent growth, fetching Tk 103,976 crore.

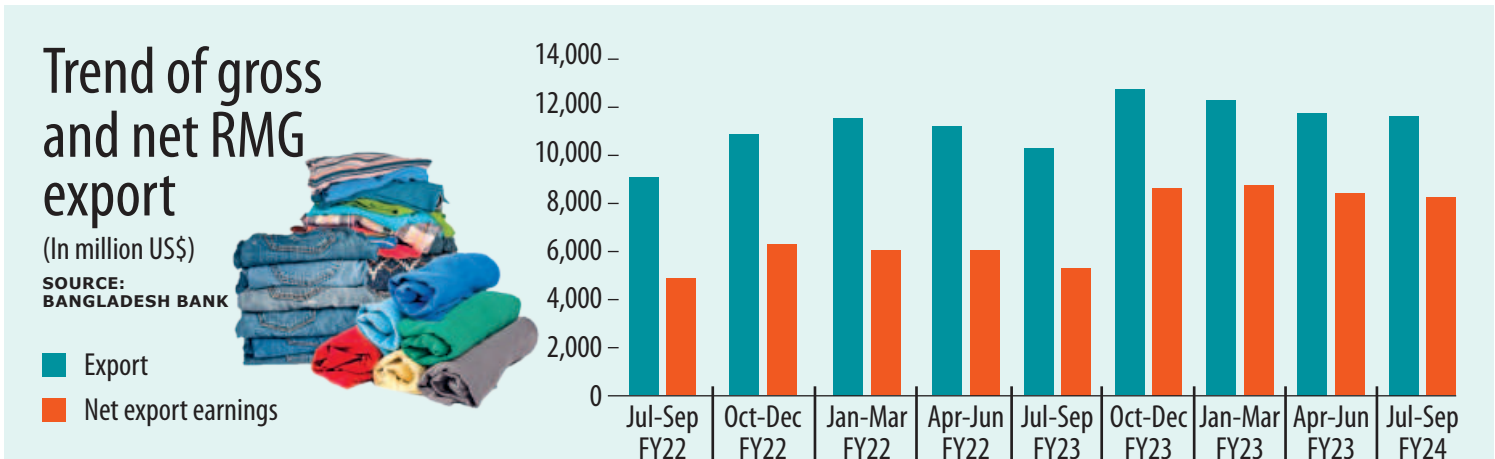
According to data from the NBR, the revenue collection from the customs during this four-month period totaled Tk 32,668 crore. Meanwhile, collection from VAT amounted to Tk 40,048.62 crore and income tax and travel tax Tk 31,259 crore.

The revenue collection target during this July-October period was Tk 123,185 crore.

The revenue collection by the NBR during the July-October period of FY23 from customs was Tk 29,937 crore, while it was Tk 26,784 crore from income tax and Tk 34,197 crore from VAT.

The NBR has set a revenue collection target of Tk 430,000 crore in the current fiscal year.

Net RMG export earnings continue to be over 70%



STAR BUSINESS REPORT

Bangladesh's net export earnings from the shipment of readymade garments (RMG) contributed to over 70 percent of the gross export receipts for the third consecutive quarter ending in September 2023.

The net export receipt of the RMG sector, determined by subtracting the import value of raw materials used in the sector from its gross export earnings, stood at \$8.2 billion in the July-September period of fiscal year (FY) 2023-24.

It accounted for 70.78 percent of the gross export earnings of \$11.61 billion during the period, the Bangladesh Bank (BB) said in its quarterly review on RMG sector, the country's largest industry.

Net export earnings were \$1.49 percent of gross exports earnings from apparel, standing at \$10.27 billion in the July-September period of the previous year, the

BB said in its quarterly review.

Since then, Bangladesh has been retaining more of its earnings from RMG export, with net export earnings reaching 71.48 percent of \$11.73 billion during the April-June period of the fiscal year 2022-23.

"The reason behind the increasing net export earnings is the expansion of backward linkage industry. It has developed a lot," said BB Executive Director of Research Md Ezazul Islam.

Once, exporters had to import buttons, but now a lot of the demand is met through domestic production.

"This is good for us. The share of net export earnings in RMG will rise in future," he added.

The BB report said the RMG sector had been experiencing a series of challenges, including domestic political unrest, global geopolitical conflicts, energy price hikes and cotton price fluctuations.

Nevertheless, the sector's contribution to Bangladesh's gross domestic product was 10.35 percent.

However, due to the financial condition of the global economy, apparel exports declined 1.04 percent in the July-September period this fiscal compared to the previous year.

The BB said the import value of raw materials such as raw cotton, synthetic or viscose fibre, synthetic/mixed yarn, cotton yarn and textile fabrics and accessories for garments amounted to \$3.39 billion in July-September of FY24.

Those import costs accounted for 29.22 percent of total RMG export earnings for that year.

The report said nine countries – the United States, Germany, the United Kingdom, Spain, France, the Netherlands, Italy, Canada, and Belgium – were the top destinations for Bangladesh's

apparel exports during July-September of FY24.

Bangladesh earned \$8.10 billion from RMG exports to these countries, accounting for 69.78 percent of total garment exports, the BB report said.

Going forward, the central bank review said apparel exports may face challenges in view of subdued economic activities owing to higher inflation and interest rates, heightened uncertainty about the future geo-economic landscape, weak productivity growth and a complex financial environment.

"Despite these uncertainties and challenges, the RMG industry of Bangladesh started to rebound in receiving fair share of work orders from international retailers and major global brands, which is indicating a sign of recovery from Covid-19 pandemic and the Russia-Ukraine war," the central bank review said.

Union Bank adopts PLC suffix

STAR BUSINESS DESK

Union Bank Ltd has changed its name to Union Bank PLC.

A PLC is a public company and is the equivalent of a publicly traded company in the US that carries the Inc. or corporation designation.

The use of the PLC abbreviation after the name of a company communicates to investors and to anyone dealing with the company that it is a publicly traded corporation.

In Bangladesh, the companies are switching to the PLC suffix in order to comply with the amended Company Act 1994. The amendment was made in 2020.

Bangladesh Bank acknowledged the change to Union Bank PLC on November 29, says a press release. Union Bank PLC was incorporated as a banking company under Companies Act 1994 on March 7, 2013.

Canada jobless rate rises to 5.8%

AFP, Ottawa

Canada's unemployment rate edged up 0.1 percentage points to 5.8 percent in November, continuing an upward trend observed since April, the national statistical agency said Friday.

The country eked out modest job gains, adding 25,000 net new jobs or +0.1 percent in the month – nearly double what analysts forecast – but it wasn't enough to offset population growth fuelled by record immigration, the agency said.

Employment increased in manufacturing (+28,000) and construction (+16,000), while declines were recorded in wholesale and retail trade (-27,000) and finance, insurance, real estate, rental and leasing (-18,000).

Unemployment has affected all age groups, but was more pronounced among younger workers aged 15 to 24.



Mohammad Feroz Hossain, managing director and CEO of Exim Bank, cuts a ribbon to inaugurate a branch at Chandraganj in Laxmipur yesterday. Among others, Shah Md Abdul Bari, additional managing director of the bank, presided over the programme, where Sanjib Chatterjee, head of corporate affairs and branding division of the bank, and Mohammad Maqsudul Islam, regional head for Cumilla, were also present.

PHOTO: EXIM BANK

Food welfare expands

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has allocated funds for food subsidies so that distribution runs smoothly.

Under the OMS system, the government distributed 4.39 lakh tonnes of rice and wheat in July-November, which was 2.92 lakh tonnes during the identical five-month period a year earlier.

Through the Food Friendly Programme, it provided 4.15 lakh tonnes of wheat and rice, again up from 2.85 lakh tonnes in FY23.

The food distribution rose sharply under several food-related relief schemes: it was 1.64 lakh tonnes in July-November compared to 27,658 tonnes a year ago.

Amid the growing demand for increasing subsidised supplies, the Trading Corporation of Bangladesh (TCB) has resumed selling food items through trucks after a pause of nearly 18 months, said Brig Gen Md Ariful Hassan, chairman of the TCB, recently.

TCB trucks are currently being found in 30 spots across Dhaka, collectively selling 72 tonnes of goods daily.

Despite the lowering of public food stock, there have not been any imports of rice. This is because the country has no deficit in rice, Shahabuddin said.

"Moreover, we have potential to take home a bumper production."

He said when the country faces natural disasters and crops are damaged, it needs to buy rice from international markets. Fortunately, there has been no such disaster in Bangladesh this year.

Chitta Majumder, a rice trader, said sales of rice were low this year and traders have not been able to sell all of the rice imported in the previous year.

In November last year, the government said Bangladesh must grow food in every inch of land, go for savings and practise austerity

to avert a famine that international organisations fear may grip the world in 2023.

When the government warned of a potential famine, traders went for the import of rice. However, rice sales are low now, Majumder said.

The noted trader is not importing the food grain at this moment. Moreover, higher production of Aman, the second-biggest rice crop in Bangladesh, is also a reason for the lower purchase from global markets, he said.

In the first five months of FY24, no rice was imported by the private and public sectors. The import stood at 10.55 lakh tonnes in FY23, including 6.33 lakh tonnes of rice by the government, food ministry data showed.

A food ministry official said there is no plan to import rice this year despite a budgetary allocation to this effect.

Weekends now the last resort

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He said products worth around Tk 15,000-20,000 were sold on average during a blockade. That number can reach upwards of Tk 35,000 on days when there is no blockade.

Around this time in 2019, goods worth Tk 35,000-40,000 were sold every day, he claimed.

Sohag said there were five salesmen in the shop in October and two more were hired in early November.

"Earlier, customers used to come to the shop, buy products and leave. But now things have changed. So, these two [salesmen] have been appointed to keep them engaged so that the buyers do not go back empty handed," he said.

In such a situation, the focus is on selling as many products as possible on days without a blockade, Sohag added.

The BNP has called a fresh 48-hour countrywide blockade starting at 6:00am on Sunday. This will be the ninth spell of blockades since October 28. Hartals have also been added to its political programmes after the announcement of the polls

schedule.

According to the Fire Service and Civil Defence, a total of 236 vehicles have been torched, including five yesterday, as unrest gripped the country since October 28.

Mohammad Asaduzzaman Apu, a three-piece seller at Chandni Chowk Market in the capital, said that goods worth Tk 10,000 to Tk 12,000 were sold daily during blockades. On days without the blockade, goods worth Tk 30,000 to Tk 40,000 are sold daily.

Even then, the normal three-day sales volume does not cover the sales lost across the other days when there are blockades, he added.

Apu also said a panic has been created among people given the current situation, so they come to the market less.

"Those who are coming are also shopping less," he added.

There are five salesmen in the shop but Apu is now having a tough time bearing their salaries, shop rent and ancillary expenses.

MA Selim Bhuiyan, a shoe seller at Farm View Supermarket in Farmgate,

said sales halve during the blockades compared to normal days.

He added that the number of sales on the rest of the days cannot be used to make up the sales lost due to blockades.

"Due to the loss of income, I had to take a loan from relatives to pay a part of employee salaries in November," 41-year-old Bhuiyan said despairingly.

"We haven't overcome the Covid-19 crisis yet. Then there is the political crisis. It is very sad to think about how to survive in business," he added.

Helal Uddin, president of the Bangladesh Shop Owners Association, the national platform of retailers, said business conditions were worsening day by day due to blockades.

Traders were regularly facing new crises due to declining sales.

"For the last six-seven months, I have been trying to highlight the current crisis to the higher level of the government. But I can't find any scope because they're not making any appointments," he said.

Tourism industry at St Martin's

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for cruise ships to carry tourists to the island.

"So, we got a good number of tourists throughout October, but their presence fell drastically from November due to the strikes and blockades called by BNP and its allies," added Bahadur, who owns a cruise ship called Boro Awlia.

Currently, just three ships with a combined passenger handling capacity of about 1,600 are plying on the Teknaf-Saint Martin's route with some 400 to 500 tourists every day.

Against this backdrop, the operators of passenger ships are not being able to pay salaries to their staff and only the fuel costs can be recovered from such slow business.

There are eight cruise ships on this route with a total handling capacity of around 4,000 people. However, five of the ships have now remained idle, Bahadur added.

Bahadur also said that cruise ship owners like him had been waiting for the October-April season as they are banned from operating in other months.

"But this season we are incurring huge losses for the political unrest."

Apart from Boro Awlia, just two other cruise ships – Keari Sindbad and Atlantic Cruise – are currently operating on the Teknaf-Saint Martin's route as there are almost no tourists, said Md Jahir Ahmed Bhuiyan, traffic supervisor of the Bangladesh Inland Water Transport Authority.

Usually, 4,500 to 5,000 tourists visit Saint Martin's every day during the peak season, he added.

Amzad Hossain, in charge of Atlantic Bay Resort, said the volume of tourists has fallen to 5 percent from the usual levels.

"Besides, the small number of travellers that are coming mostly stay at low-priced hotels, piling up losses

on standard hotels and resorts."

Hossain said many hotel owners are struggling to pay salaries to their staff amid the downturn.

"Hospitality service providers have invested significantly for the renovation and beautification of their establishments this year. However, they have ended up incurring huge losses for the scarcity of tourists."

Mujibar Rahman, chairman of Saint Martin's union parishad, said the island has around 10,000 inhabitants, 95 percent of whom depend on the tourism industry for an income.

"Their earnings have almost stopped since there are few tourists. So, they are passing days in hardship."

Rahman also informed that locals use their earnings from the peak season to run their families year-round.

"But their incomes have been hit by the blockades and strikes."

Strong rebound expected

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Bangladesh's garment export to the US had dropped 23.33 percent year-on-year to \$5.77 billion in the January-September period.

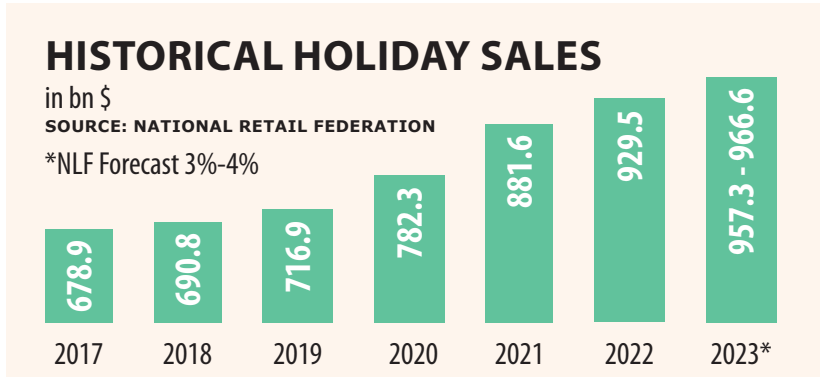
This was owing to a slowdown in demand in the world's largest economy, the piling up of old stocks and high inflation stemming from the severe fallouts of the pandemic and Russia-Ukraine war.

Exporters had fetched \$8.28 billion in the identical nine-month period of 2022, according to data from the Office of Textiles and Apparel of the US.

Last year, Bangladeshi suppliers shipped garment items worth \$10.02 billion to the country, the highest in a single year.

In the January-September period this year, apparel imports of the US from the world also fell by 22.81 percent year-on-year to \$60.82 billion.

The shipment of apparel to the US may pick up from February onwards because of the high sales from November, said Abdullah Al-Mahmud (Mahin), managing director of Mahin Group.



Anwar Ul Alam Chowdhury (Parvez), chairman of Evince Group, echoed him.

Exports to the US are still going slow as buyers are still going slow when making purchases but the shipments may pick up from February onwards, he said.

However, as in previous years, buyers slow down imports before general elections, one of which is scheduled to be held on January 7 next year, and these are major incidents for supplier country like

Bangladesh.

This is good news that the sales in the season has increased, said Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association.

So, the export from the country will also pick up from early next year, he added.

Syed Ershad Ahmed, president of the American Chamber of Commerce in Bangladesh, also expects shipments of garment from the country to grow from February onwards.