

Star BUSINESS

Govt likely to retreat from its quest for higher growth

REJAUL KARIM BYRON and
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The economy is perhaps slowing, not sprinting. And the government is likely to lower its economic growth target by one percentage point for the fiscal year ending in June, veering from its quest for a higher trajectory in times of austerity.

The fiscal coordination council under the finance ministry may revise the ambitious GDP and inflation targets that were fixed in the national budget in June, considering the existing economic trend. The council will meet tomorrow.

Despite the raging Russia-Ukraine war, the instability in the foreign exchange market and dwindling forex reserves, the government has aimed a GDP growth of 7.5 percent and inflation of 6 percent for 2023-24.

Now, the economic expansion target may be revised down to 6.5 percent while the inflation target may be revised upward to 7 percent as the economy continues to face major challenges while consumer

prices show no sign of cooling off.

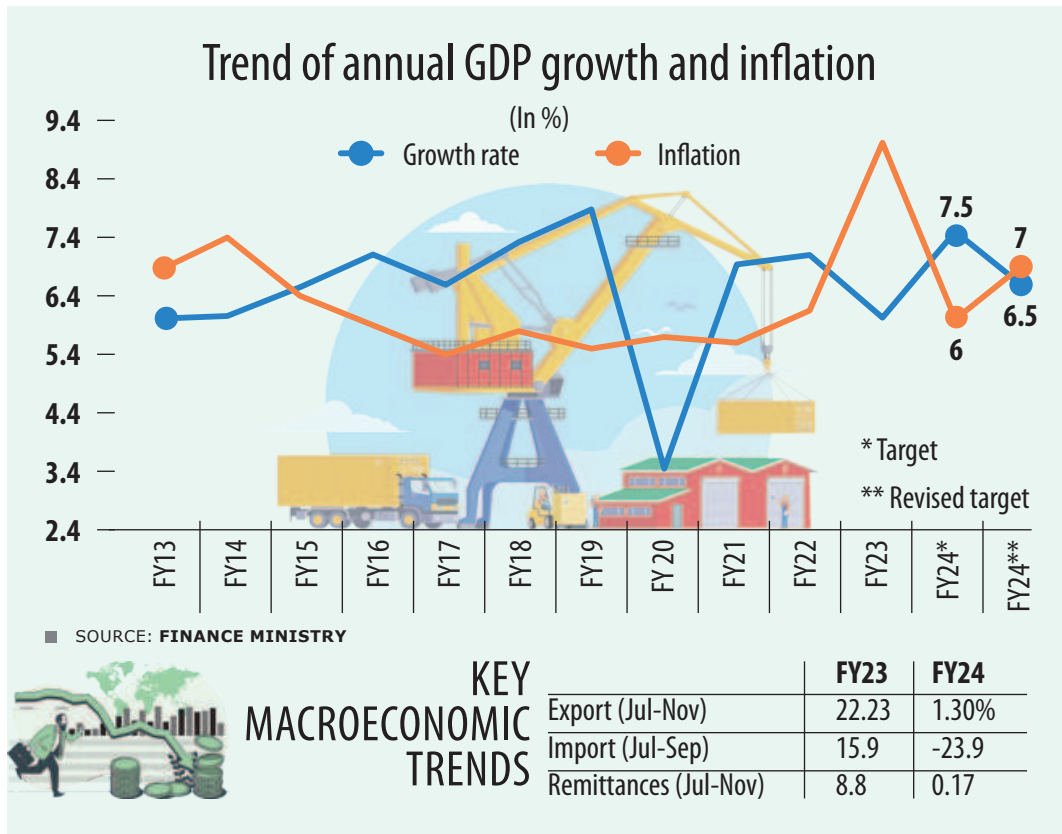
The economy grew at a pace of 6.03 percent in 2022-23 against the goal of 7.5 percent while the Consumer Price Index rose 9.02 percent against the government's revised target of 7.5 percent.

Both Zahid Hussain, a former lead economist of the World Bank's Dhaka office, and Selim Raihan, executive director of the South Asian Network on Economic Modeling, said the goals set in the budget were ambitious and unrealistic and they should be revised.

Their suggestions come as key indicators show a disappointing trend.

For example, imports declined 23.73 percent year-on-year in the first quarter of FY24, Bangladesh Bank data showed.

Capital machinery import, which signals the economic growth trend, dropped 40.99 percent in the first four months of the fiscal year, according to the letters of credit settlement figures of the BB. Industrial raw material import was down 35.72 percent.



The LC opening trend showed that capital machinery imports fell 21 percent in July-October while industrial raw materials imports decreased 16 percent.

The growth in overall export earnings from merchandise shipments decelerated to 1.30 percent in July-November because of a continued slowdown in ready-made garment shipments. In November alone, the receipts fell 6.05 percent year-on-year.

A sluggish growth trend is also noticed in other sectors

such as the private credit growth as the central bank is following a contractionary monetary policy and has taken steps to lower the demand for loans.

Also, the finance ministry has taken various austerity measures to reduce the pressure on the foreign currency reserves, whose level has more than halved in the past two years and is expected to remain under pressure in the near term.

"Under the circumstances, the growth target may be revised,"

said a finance ministry official.

The International Monetary Fund said the GDP growth is projected to stay at 6 percent in FY24, while inflation is projected to moderate to 7.25 percent by the end of the fiscal year.

The World Bank said the real GDP growth is expected to slow to 5.6 percent and inflation is likely to remain elevated in the near term absent policy tightening, and gradually subside if import prices stabilise.

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Dialogue with diplomats on labour rights postponed

REFAYET ULLAH MIRDHA

President Mohammed Shahabuddin sending a labour law amendment back to parliament on Monday for reconsideration, the commerce ministry yesterday informed of having postponed its upcoming meeting on the latest labour rights reforms with five diplomats "for the Christmas holiday".

The president objected to a provision in the Bangladesh Labour (amendment) Bill, 2023, that increased four times the penalty for workers involved in "unfair labour practices". The president's consent is mandatory for a bill to become a law.

The December 19 meeting was to be between the three secretaries to the commerce, labour and foreign affairs ministries and five diplomats from the US, EU, Germany, Canada, and Netherlands and a representative of International Labour Organization (ILO).

Coined "three plus five plus one", the meeting's members had first come together after the Rana Plaza collapse to monitor Bangladesh's progress in inspections and remediation of factory buildings in compliance with the Accord and Alliance, two foreign inspection agencies.

"We were ready to hold the meeting but the diplomats ultimately said they will not be available because of the Christmas holiday," Senior Commerce Secretary Tapan Kanti Ghosh told The Daily Star over the phone.

The meeting may be held in January after the general election, he added.

Ghosh also said his ministry has plans to write to United States Trade Representative about

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14 individuals, 12 firms in top taxpayers' list for 8th straight year



AKANDA MUHAMMAD JAHID, SUKANTA HALDER and FEDA AL HOSSAIN

Fourteen individuals and 12 conglomerates have been named for the top taxpayer recognition by the National Board of Revenue (NBR) for the eighth consecutive year.

It comes as the tax administration unveiled the names of 141 individuals and companies in three categories for the honour as the foremost taxpayers for the assessment year of 2022-23.

The 14 individuals include Md Kaus Mia, owner of Hakimpuri Jarra manufacturing company, Golam Dastagir Gazi, textiles and jute minister, Mahfuz Anam, editor and publisher of The Daily Star, Matiur Rahman, editor of the Prothom Alo, Sheikh Fazle Noor Taposh, mayor of the Dhaka South City Corporation, and Pran Gopal Dutta, a well-known physician.

The rest are Drug International's Khwaja Tajmahal, service-holders MA Haider Hussain, Mohammad Yusuf, Hosne Ara Hossain, Rubaiyat Farzana Hossain, and Laila Hossain, Palmal Group of Industries Managing Director Nafis Sikder, and national cricketer Tamim Iqbal.

Mohammad Abdul Malek, editor of the Dainik Azadi, has been named for the tax card for the seventh time in eight years, only missing out in 2021-22.

The NBR published a gazette notification on November 30 containing the names of 76 individuals, 54 companies, and 11 others (persons and entities) for the tax card award in recognition

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Muhammad Zahangir Alam
Executive director for finance and strategy of Square Pharmaceuticals PLC

of them being the highest taxpayers of 2022-23.

The award, including the tax card, a crest and a certificate of honour, is likely to be handed over through a ceremony on December 20.

The tax regulator introduced tax cards more than a decade ago and expanded its associated list in 2015-16 to recognise compliant taxpayers across various sectors and professions.

Among the 12 companies are Islami Bank Bangladesh, Standard Chartered, Grameenphone, Titas Gas Transmission and Distribution Company, British American Tobacco Bangladesh, and Coats Bangladesh.

The remaining ones are Mediastar Ltd, American Life Insurance Company (currently MetLife Bangladesh), Square Pharmaceuticals, Badsha Textiles Mills, Rifat Garments, and SN Corporation.

Nestle, Unilever and Apex received the recognition for the seventh time in 2022-23. Infrastructure Development Company Ltd and Bata Shoe Company (Bangladesh) Ltd also won the accolade.

AK Azad, managing director of Rifat Garments, said he felt encouraged and honoured.

"I think those who felt discouraged to pay taxes will be encouraged by this recognition."

Muhammad Zahangir Alam, executive director for finance and strategy of Square Pharmaceuticals PLC, said paying tax was not an expenditure, but a part of the allocation of profits to secure national development.

"As we are making profit, our responsibility is to provide the right share of it to the state by which a developing

nation can move forward."

"We are deeply honoured to be once again recognised as a top taxpaying organisation. This achievement reflects our commitment to responsible corporate citizenship and our dedication to contributing positively to the economy," said Ala Ahmad, chief executive officer of MetLife Bangladesh.

"We see this not just as a recognition of our financial contribution, but as a testament to our core values and the hard work of everyone at MetLife Bangladesh."

Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, said: "The bank has always prioritised prudent end-to-end risk management, which helps us bear fruit, especially in challenging times."

Efficient local balance sheet management with global network capabilities catalysed the bank in delivering sustained, strong operating results, he said.

"We are privileged to have our clients, colleagues, and regulators who have always provided us with rock-solid support. We are absolutely committed to contributing to the community and are proud to be recognised as one of the highest taxpayers in the financial sector of Bangladesh."

Banks borrow Tk 15,120cr from BB in a day

STAR BUSINESS REPORT

Commercial banks have continued to borrow from the Bangladesh Bank to meet their liquidity shortages despite a hike in the policy rate.

In an auction on Monday, 38 banks and two non-bank financial institutions (NBFIs) took Tk 15,120 crore from the central bank through the repo and the liquidity support facilities.

Banks have been availing liquidity support from the central bank every working day for the last couple of months amidst tight liquidity in the banking sector, said a senior central bank official.

Around half of the 61 banks in Bangladesh borrowed around Tk 15,000 crore from the central bank on Tuesday.

The foreign exchange crisis, high inflation, the growing interest rates of government Treasury bills and policy rate hikes have created a tight liquidity situation in the overall banking sector, said industry insiders.

However, most banks nowadays are taking liquidity support from the central bank and investing in Treasury bills as the latter's yield has reached 11 percent.

"The interest rates of deposit products have gone up after the withdrawal of the lending rate cap which also pushed banks to collect funds from the central bank," said a banker.

During Monday's auction, three banks took Tk 202.70 crore through the one-day repo facility while 20 banks and two NBFIs borrowed Tk 7,550 crore through the 7-day repo facility.

Moreover, 12 banks took Tk 6,882 crore through the one-day liquidity support facility while three

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MJL Bangladesh to buy LPG tanker for Tk 350cr

STAR BUSINESS REPORT

MJL Bangladesh PLC, one of the leading private lubricant marketers, plans to invest \$32.5 million, or Tk 350 crore, to purchase a newly-built tanker and provide rental services to private liquefied petroleum gas (LPG) companies.

The tanker, with a capacity of 11,000 cubic metres, a unit of measurement for the volume of vessels, will transport LPG in a compressed form, said a top official of the company.

"We will purchase the vessel to transport imported LPG," said Rokibul Kabir, company secretary of MJL Bangladesh, following a decision of the board.

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STOCKS		
	DSEX ▲	CASPI ▲
	0.05% 6,247.57	0.06% 18,523.31

COMMODITIES		
	Gold ▼	Oil ▲
	\$2,024.14 (per ounce)	\$73.37 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.63% 69,296.14	▼ 1.37% 32,775.82	▼ 0.22% 3,077.16	▼ 1.67% 2,972.30

Agri and Farming in Best Silage Production Award 2023' got Rupai Silage

On 4th December 2023, **Rupai Silage** was awarded as the producer in the **Best Silage** category in a grand ceremony. The Managing Director of the organization Mr. **Aminur Rahman** received the award from the Honorable Minister of Agriculture of the People's Republic of Bangladesh Mr. **Md. Abdur Razzak MP**. **Rupai silage** is an excellent yielder for both dairy and beef cattle Using **Rupai silage** as a high cost alternative to grain will reduce milk and meat costs and improve livestock health.