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BUSINESS

Orange and malta growers are enjoying higher prices for their produce as the US dollar crunch has reduced the availability of imported alternatives



Story on B4

Businesses want to pay taxes thru harassment-free process

Says FBCCI chief  
STAR BUSINESS REPORT

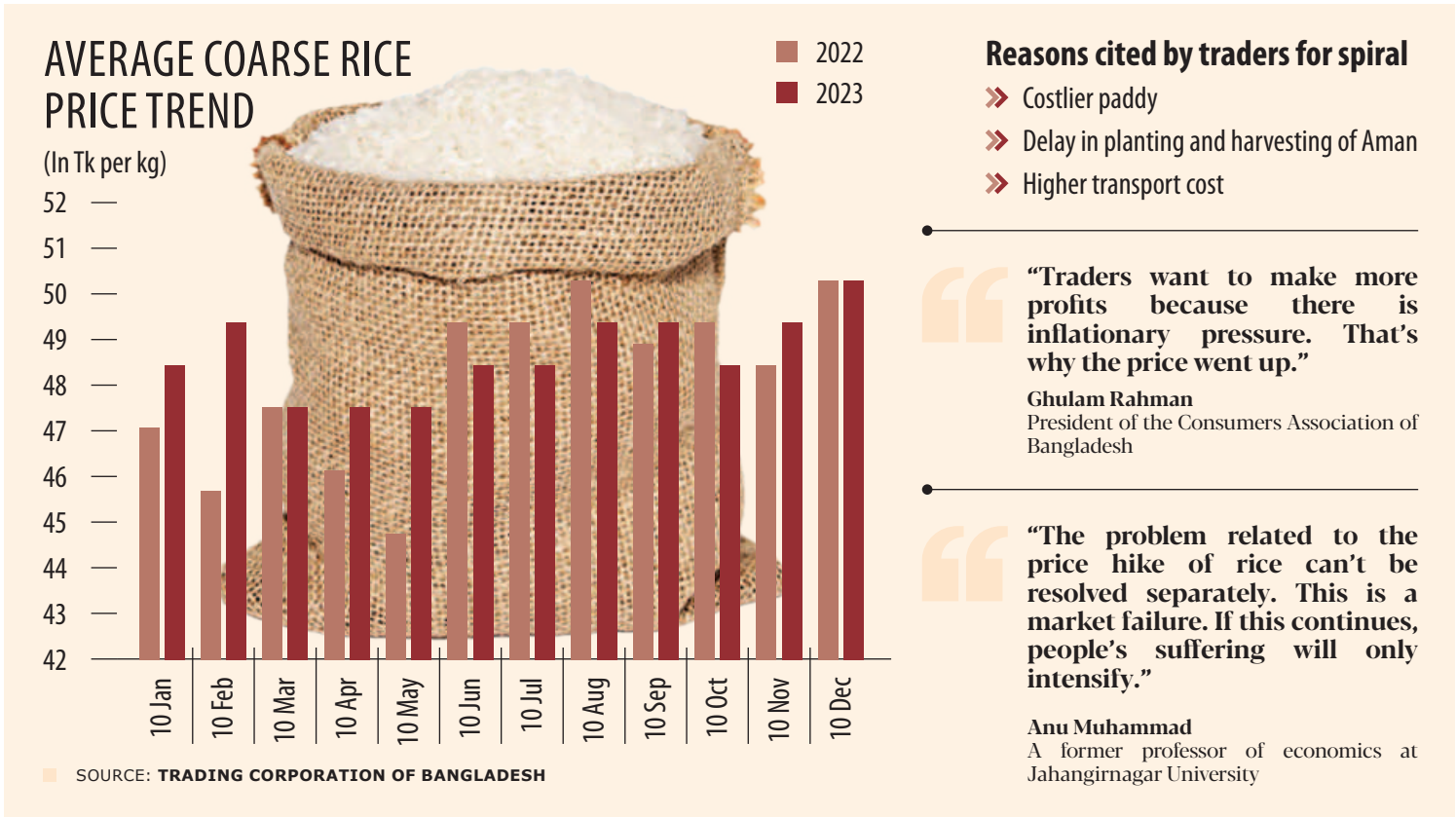
Businesses do want to pay their taxes, albeit through a process free from difficulties and harassment by revenue officials, Mahbubul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said yesterday.

Businesses are usually compliant with the country's tax regime but decide against paying taxes whenever they face trouble in the revenue collection process, he said.

"We want the opportunity to pay taxes without facing any harassment," he told a ceremony organised by the National Board of Revenue (NBR) at its Dhaka headquarters.

Held in observance of VAT Day, the event honoured nine companies

## How much do the poor pay for rice? At least Tk 50 a kg



## Textile millers urge central bank to raise LC, loan limits

STAR BUSINESS REPORT

Textile millers have urged Bangladesh Bank to raise the limit of letters of credit (LCs) so that they can bring in more raw materials amid a huge depreciation of the local currency against the US Dollar.

The Bangladesh Textile Millers Association (BTMA) sent a letter in this regard to the central bank last week. It also requested to allow a higher limit for single borrowers.

Besides, the BTMA sought permission to pay 20 percent of their term loans in the current year while the rest will be paid four years after the payment period is over.

Additionally, it demanded an equal conversion price for US dollars for both remitters and



A massive number of products get VAT exemptions, which is why the tax-GDP ratio has not reached a satisfactory level.

Zakia Sultana  
Member of the NBR

for depositing the highest amount of value added tax (VAT) to state coffers from their respective sectors in fiscal year 2020-21.

One or two percent of businesspeople are able to hide their incomes but they will stop doing so if the tax collection process is automated and compliance with regulations is made easy, said Alam.

He also urged expanding the tax net with a special focus on upazila levels.

A massive number of products get VAT exemptions, which is why the tax-GDP ratio has not reached a satisfactory level, said Zakia Sultana,

SUKANTA HALDER,  
MD ASADUZ ZAMAN and  
KONGKON KARMAKAR

Rice price in Bangladesh is rising and the rate of coarse grain has crossed Tk 50 a kilogramme nearly after a year, straining further the buying capacity of low-income people, who are already struggling to make ends meet amid higher inflation.

Retailers blame the increase for the spike at the wholesale level while wholesalers say it has gone up at the mill level. Millers put the blame on costlier paddy stemming from the delay in planting and harvesting of Aman.

At the retail level in Dhaka yesterday, coarse rice, mostly consumed by the poor and lower-income groups, was sold for Tk 51 per kg, which was Tk 50 in November and Tk 49 in October, according to state-run Trading Corporation of Bangladesh (TCB). This means the price has increased by an average 3 percent in the last one month.

The finer variety is being sold at Tk 68.5 per kg and the medium grain at Tk 56.5.

Dhiren Babu, a retailer at the Town Hall Bazar in the capital's Mohammadpur, said he is selling coarse rice at Tk 51 to Tk 52 a kg

depending on varieties.

Farmers say owing to unfavourable weather, there was some delay in both plantation and harvesting of Aman, the second-biggest rice crop in Bangladesh, accounting for more than 38 percent of total rice production.

Mohammad Nazim, a farmer in Chuadanga's Damurhuda upazila, said they usually start the

once new rice hits the market," said Dhiren.

Abdur Rab, a floating tea seller in Dhaka's Mirpur, said the prices of every essential have reached an unbearable level. "Last Saturday, I went to markets to buy five kgs rice. After seeing the price increase, I bought four kgs because I had to buy some other essentials."

Bureau of Statistics, food inflation stood at 12.56 percent in October, the highest in at least a decade. It, however, slipped to 10.76 percent in November.

Ranjan Chakraborty, manager of Majumder Auto Rice Mill in Sherpur upazila of Bogura, said the price of rice has increased due to the higher paddy price.

At present, millers are buying Swarna-5 paddy at Tk 1,090 per maund. If the transport and milling costs is taken into account, the cost of production of coarse rice stands at Tk 48 per kg.

"So, it is not possible to sell the rice at less than Tk 50 per kg," Chakraborty said.

However, the price of all types of rice dropped in Dinajpur, one of the major rice-producing regions in the northern part of the country, by Tk 150-Tk 200 for each 50-kg bag within a span of two weeks.

During a visit to the retail and wholesale markets at Bahadurbazar and Raibazarhat in the district town, it was found that a kg of Gutti Swarna (coarse rice) is selling at Tk 43, while it was Tk 48 a fortnight ago.

Firoz Ahmed, a wholesaler in Dinajpur's Bahadurbazar, said

exporters, or to make the rate market-based.

Textile millers are also seeking an extension of the repayment period of the stimulus package that was provided during the Covid-19 pandemic.

The textile business is enduring a concerning situation due to global economic pressure, volatile dollar market and political uncertainty, Mohammad Ali Khokon, president of the BTMA, said in the letter.

The crisis was aggravated by the hike in prices of fuel and raw materials.

This situation comes at a time when the industry



harvesting of Aman in the first week of November and it finishes in the middle of the month.

"This year, harvesting was completed in early December."

Mohammad Rubel, who works in a school and has land where paddies are cultivated in his village home in Jamalpur, says his workers finished harvesting of the paddy on Friday.

"The price of rice will decrease

"The prices of essentials are on the rise but our income does not increase every week."

The 53-year-old says he could not describe how difficult it has become for him to make a living. "Due to the rising cost of living, people don't even consume as much tea and cigarettes as they did in the past. Who will I tell about my suffering?"

According to the Bangladesh

STOCKS			
	DSEX ▼	CASPI ▲	
	0.02%	0.05%	
	6,251.28	18,546.52	

COMMODITIES			
	Gold ▼	Oil ▲	AS OF FRIDAY
	\$2,004.55	\$71.21	
	(per ounce)	(per barrel)	

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▲ 0.44%	▼ 1.68%	▲ 1.19%	▲ 0%
	69,825.60	32,307.97	3,110.73	2,969.56

## Govt ponders running industries on LPG



While liquefied petroleum gas (LPG) offers several advantages over traditional fuels, such as being more cost-effective and environmentally friendly, converting industries to run on it requires a huge amount of investment. Moreover, LPG is now priced at around Tk 103 per kilogramme (kg) while liquefied natural gas around Tk 40 per kg. The photo was taken in Mongla a couple of weeks ago.

PHOTO: HABIBUR RAHMAN

JAGARAN CHAKMA and  
REFAYET ULLAH MIRDHA

The government has formed a panel to frame a policy by identifying the potentials and challenges of use of liquefied petroleum gas (LPG) in the industrial sector.

A 14-member committee headed by Md Shameem Khan, director general, hydrocarbons unit, Energy and Mineral Resources Division, will draft the policy in two months, said Khan while talking to The Daily Star.

The Ministry of Power, Energy and Mineral Resources issued a notice in this regard on December 6.

The decision to form the committee was taken at a meeting on "Possibilities, Challenges, and Recommendations on LPG Use in Industry as an Alternative Fuel" held on November 7.

The meeting identified some of the potentials and challenges and looked into comparisons of the technical and commercial aspects of LPG use with other fuels.

"We will discuss and hold dialogues with all stakeholders, including users and suppliers, to avail opinions before formulating the draft policy," he said.

Mills currently run on liquefied

natural gas (LNG), whose primary component is methane, said Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association.

The primary component of LPG is propane for which it cannot be used to run the mills, he said.

There are a lot of questions regarding the shift from using methane to propane, he said, adding that they had shared their concerns in the meeting.

In Bangladesh, many factories have been using LPG as an alternative to traditional captive

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