



Md Afzal Karim
Padma Bank gets new chairman

STAR BUSINESS DESK

Md Afzal Karim, managing director and CEO of state-owned Sonali Bank, has been appointed as chairman of Padma Bank.

Karim will perform the role of chairman of the fourth-generation bank until further notice, the bank said in a press release.

Prior to joining Sonali Bank, he was the managing director of Bangladesh House Building Finance Corporation.

Eastern Bank secures bancassurance licence

STAR BUSINESS DESK

Eastern Bank has obtained a bancassurance licence from the Insurance Development & Regulatory Authority (IDRA) to start bancassurance business with insurance companies.

It is the first bank to get bancassurance licence from the IDRA for both life and non-life insurance companies after getting an approval from the Bangladesh Bank, said a press release.

The bank meanwhile signed agreements with MetLife and Green Delta Insurance Company Ltd.

Bancassurance is a partnership between a bank and an insurance company where a bank sells insurance products through its distribution channels.

It can be a new opportunity for Eastern Bank to diversify its income stream by earning commission-based income without any additional risk, capital or liquidity.



Md Shahidul Islam goes round Dapdapia village in Jhalakathi's Nalchity upazila selling blue plastic drums which, once used for importing chemicals and oil, have been cleaned up and dried to be reused for a myriad of purposes such as storing food grains and water. He can make a profit of Tk 600 for every Tk 3,000-worth sales made every day. The photo was taken recently.

PHOTO: TITU DAS

FICCI seeks simplified tax measures in next budget

MCCI for effective 20pc corporate tax

STAR BUSINESS REPORT

The Foreign Investors' Chamber of Commerce and Industry (FICCI) has proposed simplification of taxation systems, including elimination of manual processes, to ensure compliance with laws and voluntary reporting.

This will increase revenue generation in Bangladesh, said the FICCI, a platform of foreign companies operating in Bangladesh.

Zaved Akhtar, president of the FICCI, placed proposals for the next fiscal year's national budget during a meeting with officials of the National Board of Revenue at the latter's headquarters in the capital's Agargaon yesterday.

The Metropolitan Chamber of Commerce and Industry, Dhaka also placed another proposal in the day seeking measures for businesses to effectively enjoy the 20 percent corporate tax rate.

Akhtar said the FICCI believes that there was a need for a comprehensive and integrated digital architecture for the country to track economic transactions and collect due taxes.

On behalf of the FICCI, he also highlighted the necessity for steps to be taken immediately for the integration of systems already available such as e-TDS, online return, e-TIN etc.

The TDS refers to tax deducted at source while TIN taxpayer identification number.

Regarding widening the tax net, he proposed enhancing coordination among government agencies and departments such as city corporations and land registration offices.

He also suggested bringing about an effective tax rate for increasing foreign direct investment, a unified VAT rate which would take value addition into consideration and fast resolution of impediments to imports and exports.

The FICCI, representing around 210 companies, has been contributing more than 30 percent of the total government revenue, he said.

To achieve "Vision 2041", Bangladesh needs to improve its tax to GDP ratio from 8.74 percent

to 22 percent and, in this regard, the private sector's cooperation will be indispensable, said Akhtar.

The FICCI is eager to partner in this journey and committed to contribute for the progress of the people and the country, he added.

The coming fiscal year's budget is very important, said Kamran T Rahman, president of the Metropolitan Chamber of Commerce and Industry, Dhaka.

Due to post-Covid-19 situation, Russia-Ukraine war and rising prices of commodities, including oil, in the global market, the government needs special cooperation to overcome uncertainties in business and return to normalcy, he said.

In 2026, Bangladesh will gain developing country status, resulting in the cancellation of certain benefits, including those over trade, he said.

Last fiscal year the corporate tax rate was reduced by 2.5 percentage points but the benefit can hardly be enjoyed for other limitations such as one involving cash transactions, said Rahman.

Tourism fair begins in Dhaka today

STAR BUSINESS REPORT

A three-day international tourism fair will kick off today at Pan Pacific Sonargaon hotel where airlines and hospitality service providers will showcase their products and services.

Over 80 organisations from home and abroad, representing airlines, hotels, resorts, travel agents, tour operators, training institutes, medical tourism agencies and other travel-related service providers, are offering discounts and packages at the event.

The fair will stay open from 10:00am to 8:00pm every day and entry tickets will cost Tk 50 per person, said a press release.

The fair will be organised by travel and tourism publication Bangladesh Monitor with Biman Bangladesh Airlines as title sponsor.

A raffle of the tickets will be held on the closing day with the prizes being return air tickets to Jeddah/Medina, the Maldives, Dubai, Bangkok, Delhi, Mumbai, Kolkata, Cox's Bazar, Sylhet and Chattogram.

Foreigners to be fined for overstaying, working illegally

STAR BUSINESS REPORT

The government has decided to impose fines and progressive tax on a daily basis on foreigners for overstaying their visas and working illegally in Bangladesh, according to a decision taken at a meeting on Tuesday.

The move comes centring allegations that many foreigners are working here in spite of having no work permit, which is illegally. Many allegedly take up jobs here using tourist and multiple entry visas to evade income tax.

As of December 31, 2023, there were over 100,000 foreigners legally present in Bangladesh, according to a press statement by Bangladesh Investment Development Authority (Bida) citing data from Special Branch of Bangladesh Police.

Three-fourth of them came here on tourist visas.

Only 14,400 were here on employment visas and nearly 10,500 for business and investment purposes.

Indians accounted for the highest number of nationals from a single country, nearly 37,500, followed by Chinese nationals (11,400).

Many foreigners coming to Bangladesh with tourist or business visa get three months' time to prepare documents and apply for work permit, said Mohammad Tofazzel Hossain Miah, principal secretary to the prime minister.

"We have taken a decision to reduce the time for documentation to one month," he told a Bida meeting on February 6.

There is a provision in a 2006 visa policy enabling a person to leave Bangladesh paying a Tk 30,000 fine even after overstaying their visa year after year, Miah was quoted as saying in the Bida press statement.

"...we have decided to introduce rule to impose fine and progressive tax for visa overstay," he added.

He said foreigners would be able to apply to Bangladesh's missions abroad for work visas.

The missions will forward the applications to the Special Branch of Bangladesh Police for the completion of verifications in seven days, he added.

The government is deprived of taxes when foreign nationals work without a permit, he pointed out.

STOCKS	
DSEX ▲	CASPI ▲
0.10%	0.39%
6,352.49	18,174.99

COMMODITIES	
Gold ▼	Oil ▲
\$2,034.34	\$73.63
(per ounce)	(per barrel)

Navana Real Estate unveils new logo

STAR BUSINESS DESK

Navana Real Estate (NRE) recently unveiled a new logo with the tagline "Broaden Life Boundaries".

The logo will be used on both official premises and online media platforms from February 3, the realtor said in a press release.

It reflects the company's dedication to staying at the forefront of the real estate sector by embracing cutting-edge technologies and eco-friendly designs.

The logo depicts a symbol that incorporates various shapes into symmetrical forms that effectively communicates the concept of "variety of building", which represents the diversity of NRE's projects.

The company recently launched 15 new projects, engaging locally and internationally renowned



architects and consultants.

Over the last 28 years, the realtor has completed over 235 projects in Dhaka and Chattogram and continues to thrive with 73 ongoing projects, including 3 condominiums and 6 land projects.

India's Paytm crackdown spooks retailers
Walmart, Google swoop in

REUTERS, Bengaluru/Mumbai/Chennai

Hit by a regulatory crackdown, India's Paytm is mobilizing its sales team to reassure the merchants who use its app to accept digital payments just as Walmart and Google are targeting those same vendors with their rival offerings.

Cash was once king in India, but Paytm is credited with revolutionising India's digital payments market which is set to be worth \$10 trillion by 2026. Backed by SoftBank, and earlier by billionaire investor Warren Buffett and China's Alibaba, it has 100 million monthly users and clocked \$61 billion worth of merchant payments between October and December.

refusing to deal with Paytm after India's central bank last week asked its banking unit - which mainly powers the popular payments app - to cease most operations from March 1 for "persistent non-compliance".

In southern Telangana state, around 2,000 shops have put signs saying "No Paytm, Pay Cash", and some have even covered up the Paytm QR code which customers scan for payments, said Mohammed Salahuddin, a member of a local retailers association.

"I have decided to avoid using Paytm. Customers have to give cash," he said. To counter such concerns, the company is sending sales staff directly to customers ranging from roadside snack sellers to big retail outlets to ask them to use Paytm's

Poland saves

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itself is a big market for Bangladesh and some Polish retailers and brands source a lot of sweaters from the country.

Chowdhury used to send garment items to Russia a lot before the conflict began. Currently, he ships a large volume of goods to Poland.

"Garment items are sent to Russian markets from Poland by roads as the countries are geographically close," said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

He said the shipment of garments to Poland declined last year because of the global problem. "It is now going up again."

LPP, a large Polish buyer, sources sweater items from Bangladesh, according to Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

"A lot of locally made garment items are being shipped to Russia through Poland."

Home textile exports

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Moreover, Bangladesh's textile millers have lost the market to their Pakistani competitors as the rupee has been over-devalued for many years, he said.

Alam gave the example of a local home textile miller that used to pay Tk 64 crore as the gas bill a month whereas the expenditure has rocketed to Tk 126 crore now.

"This has significantly raised the operational costs and affected the company's profit margin as a consequence. This has also forced the firm to stop taking in new orders like it did in the past and has halved the production capacity to remain competitive in a volatile business environment."

The cost of funds for entrepreneurs has also increased after the central bank withdrew the 9 percent lending rate ceiling in June following maintaining it for more than three years.

Noman Group, the largest home textile producer and supplier in Bangladesh, saw its production fall by

30 percent due to lower demand. The Russia-Ukraine war and the latest Middle East crisis have also hit the exports.

Currently, the company ships goods worth \$22 million a month on average. It was \$32 million a few months ago, according to Md Shahidullah Chowdhury, executive director of the group.

He said Noman Group used to export \$1.2 million worth of home textile to Russia before the war broke out. It has come down to zero.

"Similarly, the export to Europe also declined because of higher inflation."

Due to the volatile exchange rate and the gas crunch, some big home textile companies have closed in the last few years, according to Monsoor Ahmed, chief executive officer of the Bangladesh Textile Mills Association (BTMA).

BTMA President Mohammad Ali Khokon warns if the gas situation does not improve, more textile mills might close soon.

Govt set to give Tangail sari GI status

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Yesterday, the Department of Patents, Designs and Trademarks (DPDT) received an application from the district administration of Tangail, according to officials.

The senior secretary of the industries ministry added that they were also going to publish journals for four other products: date molasses from Jashore, lotkhon fruit and banana from Narsingdi, and roshogolla sweets from Gopalganj.

Bangladesh has so far declared 21 items as GI products, including Jamdani sari, hilsha fish, and muslin fabrics.

Sultana directed stakeholders to prepare documents to seek the GI recognition for Tangail sari following a public outcry about why Bangladesh had failed to do so despite being a rightful claimant.

On January 31, India published a journal declaring 'Tangail Saree of Bengal' as their GI product.

The recognition was given based on an application from the West Bengal State Handloom Weavers Co-Operative Society Limited.

Weavers in Tangail, the northwest district of Dhaka, have been making Tangail sari, a popular cloth in Bangladesh, for nearly two and a half centuries.

Investors

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AKM Fazlullah, managing director of Chattogram Wasa, said the feasibility study for the project had been completed and they were currently working on fixing the price of water and calculating the total requirement.

"We are hoping to start the implementation work in the next fiscal year and complete the first phase within December 2027," Fazlullah noted.

Work on the second phase will begin in January 2028 and is expected to be completed by December 2031, he added.

According to him, this project includes an intake point with a capacity of 50 crore litres, a water treatment plant with a capacity of 50 crore litres, two boosting stations, and the installation of a 132-km pipeline.

India to be

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to grow in transportation fuels. So that's something different from countries like China," Keisuke Sadamori, the IEA's director of energy markets and security, said on the sidelines of the conference.

Still, the electrification of India's vehicle fleet will lead to a more muted 0.7 percent annual growth average through 2030 for gasoline, the IEA said. New electric vehicles and energy efficiency improvements in India will avoid 480,000 bpd of extra oil demand from now to 2030, it added.

To meet this demand, India is expected to add 1 million bpd of new refining capacity over the seven-year period and this will increase its crude imports further to 5.8 million bpd by 2030, the IEA said.

"India is moving to the right path in terms of adding large additional refining capacities," Prasad Panicker, chairman of Indian refiner Nayara Energy (ESRO.M3), said at the conference.