

Star BUSINESS

The government has framed rules for tour operators and guides to give the key cogs of the tourism industry a formal shape



Story on B4

Cotton growers to get incentive for first time

STAR BUSINESS REPORT

The government is going to provide incentives to encourage cotton cultivation for the first time as part of its effort to increase domestic production and cut import dependence on the fibre, which is used by the textiles and export-oriented garments industries.

Some 12,375 farmers in 26 districts will be provided free-of-cost incentives in the form of hybrid cotton seeds, urea, Diammonium phosphate (DAP), Muriate of Potash (MoP), and pesticides.

In monetary terms, the incentive is worth roughly Tk 10 crore, according to a statement by the agriculture ministry.

"Our domestic industries have a huge demand for cotton. We want to meet one-fifth of the requirement by increasing domestic production," said Md Fakhre Alam Ibne Tabib, executive director of the Cotton Development Board (CDB).

Bangladesh used 77 lakh bales of cotton in the marketing year 2022-23, with imported cotton

Some 12,375 farmers in 26 districts will get incentives in the form of seeds, fertilisers and pesticides

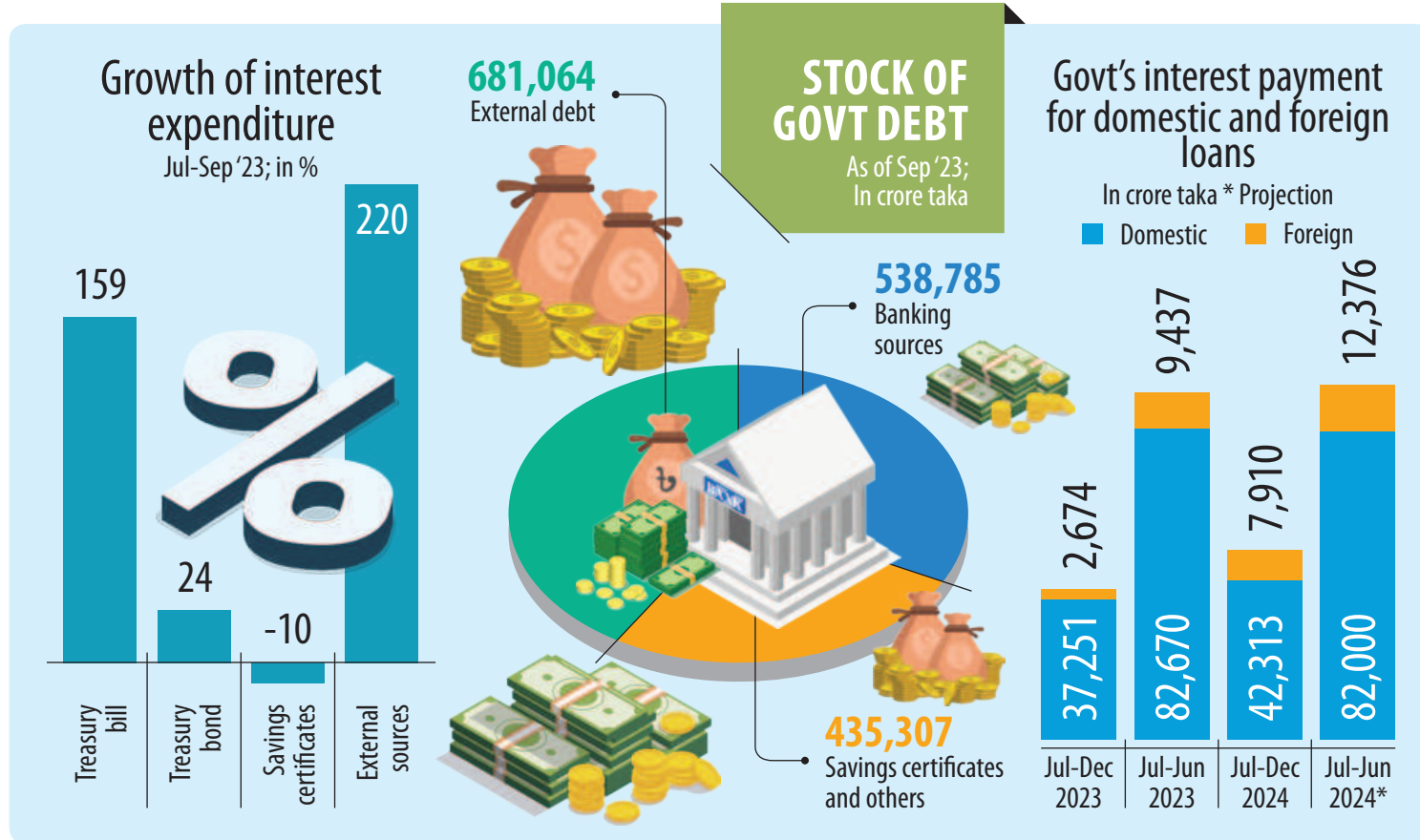
accounting for nearly 98 percent of the total requirement, according to an estimate by the US Department of Agriculture. This means that locally-grown cotton met just two percent of the total requirement.

The US agency predicted that cotton use might increase to 78 lakh bales in the current marketing year 2023-24, ending in July.

CDB's Tabib said his office had set a target to increase areas used for cotton cultivation by 2

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Govt's interest expenses jump 26% in six months as funds get costlier



REJAUL KARIM BYRON

The government's expenses on interest payments rose about 26 percent year-on-year in the first six months of the current fiscal year due to a spike in the cost of borrowing from both local and external sources, official figures showed.

In July-December of 2023-24, the government spent Tk 50,223 crore to repay interests against loans, up from Tk 39,925 crore a year prior, according to a finance division report.

The interest costs for domestic loans increased 13.58 percent to Tk 42,313 crore while the same for foreign credits surged 195.81 percent to Tk 7,910 crore.

The higher spending comes as the yield against the treasury bills climbed in the past one year amid the government's escalated borrowing from the banking system amid lower-than-expected revenue collections.

The cost of external funds has also gone up because global interest rates rose as central banks around the world raised benchmark lending rates sharply to make funds costlier with a view to taming higher inflation.



from 6.30-6.50 percent a year ago. The yield of the 182-day treasury bills rose to 11.28-11.40 percent from 7.04-7.10 percent during the same period, Bangladesh Bank data showed.

The government borrowed Tk 78,190 crore through treasury bills in the July-September quarter. Of the sum, Tk 34,656 crore was borrowed through the 91-day treasury bill, according to the finance division.

Another finance ministry report shows that the interest expenditures for the treasury bills surged 159 percent year-on-year in the quarter, while the interest cost of treasury bonds was up 24 percent.

The figure for the second quarter was not officially available, but an official of the ministry said the same trend was observed in October-December as well.

In recent times, the interest payment expenses have risen because of the hike in non-concessional loans from bilateral and multilateral partners.

In 2023, the government borrowed about \$2.6 billion at market-based rates. In 2022, it was \$3.42 billion.

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bKash offers payments on credit thru City Bank

STAR BUSINESS REPORT

City Bank and bKash yesterday launched "Pay Later", a collateral-free digital nano loan that facilitates payments even if customers do not have sufficient balance in their virtual wallet in the mobile financial service provider's app.

Subject to eligibility, customers can instantly borrow Tk 500 to Tk 30,000 to directly buy a product or service. No interest will be imposed if the loan is repaid within seven days.

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To avail the loan, customers need to scan the merchant QR code or input the merchant number, insert the amount and select the "Pay Later" option in the bKash app.

Customers then have to select between interest-free repayment within seven days and repayment in six months.

For the interest-free option, if a customer fails to make the payment within the seven days, the amount will be converted into a three-month loan with a 9 percent interest per annum.

In the case of the six-month repayment option, customers need to pay 20 percent of the total amount up front.

The remaining 80 percent will be divided into equal instalments, to be paid deducted automatically on a specified date of every month. The interest rate will be 9 percent per annum.

In both cases, a processing fee of 0.575 percent, including VAT, will be applicable.

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STOCKS	
DSEX ▼	CASPI ▼
1.17%	0.7%
5,761.37	16,511.66

COMMODITIES	
Gold ▲	Oil ▼
\$2,247.91	\$83.09
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.49%	▼ 1.4%	▲ 0.34%	▲ 1.19%
74,014.55	39,803.09	3,234.89	3,077.38

Govt allows Nagad Digital Bank owners to hold higher-than-usual stake

STAR BUSINESS REPORT

Three owners of Nagad Digital Bank have been given permission to hold more shares in the proposed lender than directors are usually allowed under the country's laws.

The finance ministry has extended the exemption under a provision of the Bank Company Act 1991.

It came after the Bangladesh Bank recently wrote to the Financial Institutions Division of the finance ministry, recommending relaxation of the provision for Nagad.

On March 27, the division gave the consent, citing Section 121 of the Act that allows the central bank to relax the rules.

However, under Section 14 (ka) of the Act, a person, organisation, company, or member of the same family can't hold more than 10 percent share, directly or indirectly.

Nagad Digital Bank has issued 12.50 crore shares among seven sponsors. Of them, three companies – Osiris Capital Partners (USA), Blue Haven Ventures (USA) and Finclusion Ventures Pte Ltd (Singapore) – hold more than 10 percent shares.

The rest four shareholders are Zen FinTech (USA), Trupay Technologies, Farhan Karim Khan, and Fintechual Holdings Ltd, the only local shareholder.

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Banglalink propels mobile subscriber growth in February

MAHMUDUL HASAN

The number of mobile subscribers grew in February, with the third-largest operator, Banglalink, staging the strongest performance.

Mobile network operators – Grameenphone, Robi, Banglalink and Teletalk – collectively added about 9.2 lakh customers during the month, taking the total mobile subscriber base to 19.3 crore.

Banglalink alone acquired 5.3 lakh customers, taking its customer base to 4.39 crore.

The company attributed the jump to its improved 4G network, expanded nationwide coverage, and enhanced network capacity.

Taimur Rahman, Banglalink's chief corporate and regulatory affairs officer, said: "We are grateful to our customers for trusting us and for being with us and are looking forward to being a part of building a Smart Bangladesh."

On a year-on-year basis, Banglalink's customers grew by 7.61 percent, the highest rate among operators.

The country's second-largest operator, Robi, added 70,000 new customers in February as its subscriber numbers rose to 5.83 crore.

On a year-on-year basis, Robi's customer



Mobile network operators collectively added about 9.2 lakh customers in February, taking the total mobile subscriber base to 19.3 crore.

PHOTO: STAR/FILE

base grew by 5.80 per cent.

Grameenphone, the leading operator, took its total number of customers to 8.25 crore by adding 3.1 lakh new customers in February.

On a year-on-year basis, Grameenphone's subscriber base grew by 3.28 percent.

State-owned Teletalk added about 20,000 customers in February, taking its total to 65 lakh. On a year-on-year basis, the number of customers of the operator declined by 2.84 percent.

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Stocks plunge again

STAR BUSINESS DESK

The benchmark index of Dhaka Stock Exchange (DSE) plunged yesterday, breaking a gaining streak of the last two trading days.

The DSEX declined 68.32 points, or 1.17 percent, from that on the day before, to close at 5,761.38.

Similarly, the DSES, the index that represents Shariah-based firms, fell 14.66 points, or 1.16 percent, to 1,251.65 and the DS30, which comprises blue-chip stocks, dipped 13.96 points, 0.69 percent, to 2,007.34.

Turnover, which indicates the volume of shares traded during the session, stood at Tk 468 crore, which is an increase of 0.39 percent from that in the previous session.

In its daily market update, Shanta Securities said the market movement was driven by negative

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