

Dollar edges down

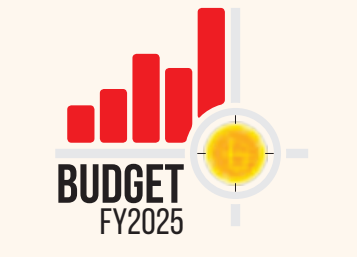
REUTERS
The dollar edged down on Tuesday, but remained in tight ranges against peers, ahead of key inflation data from major economies this week that could inform the global interest rate outlook.
The greenback was also on the verge of its first monthly decline in 2024.
“A backdrop where the Federal Reserve can start cutting rates this year, even in December, is consistent with further dollar weakness,” said Athanasios Vamvakidis, global head of forex strategy at BofA, who mentioned some weakness in US economic data and recent stronger than expected figures from the euro zone as the main drivers of the dollar slowdown.
He also highlighted that the Fed had pushed back against speculation about possible rate hikes, preventing the dollar from appreciating further.
Markets are currently more than fully priced for a US rate cut in December. They also discount an 80 percent chance of such a move in November and a 60 percent chance in September.
Against a basket of currencies, the dollar was down 0.11 percent to 104.44, for a 1.7 percent decline on a monthly basis.

Table with market data: STOCKS (DSEX, CASPI), COMMODITIES (Gold, Oil), ASIAN MARKETS (MUMBAI, TOKYO, SINGAPORE, SHANGHAI)

DSE wants tax exemption for capital gains

STAR BUSINESS REPORT
The Dhaka Stock Exchange (DSE) yesterday demanded that the capital gains of individual investors be kept free of taxation in the upcoming national budget for fiscal year 2024-25.
The demand comes at a time when the National Board of Revenue (NBR) is planning to impose 15 percent tax on capital gains of more than Tk 50 lakh.
DSE Chairman Hafiz Muhammad Hasan Babu made the demand at a pre-budget press briefing at Dhaka Club Ltd in the capital’s Shahbagh.
“Any new tax will further burden investors in this crucial time as the market is still under pressure due to the fallouts of Covid-19 and the Russia-Ukraine war,” he said.
Around 90 percent of investors in the stock market are institutional investors, who currently face a 5 to 10 percent tax on capital gains. The remaining 10 percent are individual investors.
“If the NBR imposes tax on individual investors’ capital

gains, it will negatively impact the market by damaging their confidence,” he added.
However, NBR officials said the move would not affect any small investors as they only want to catch some of the stock market’s “big fish”.



“The NBR doesn’t have any intention to affect small investors who earn less than Tk 50 lakh from capital gains,” an official of the NBR said, seeking anonymity.
Individual investors have benefited from tax breaks since 2015 as part of fiscal measures aimed at boosting Bangladesh’s fledgling securities market.
However, the NBR’s move comes in line with the International Monetary Fund’s

(IMF) recommendations to reduce tax expenditure and increase revenue to meet its aim of increasing the country’s tax-GDP ratio by 0.5 percent next fiscal year.
The DSE chairman also mentioned that existing source taxes should be reduced from 0.05 percent to 0.02 percent.
It was also proposed that corporate tax for listed companies be reduced by 2.5 percentage points from the existing 20 percent.
“The corporate tax gap between listed and non-listed companies should be 10 to 12 percent to encourage good companies in the stock market,” he added. The current gap is 7.5 percent.
Besides, the DSE demanded a tax exemption on bond income and keeping dividend income of up to Tk 50,000 tax free. AGM Sattique Ahmed Shah, chief financial officer and acting managing director of the DSE, Khairul Bashar Abu Taher Mohammed, chief regulatory officer, and Mohammad Asadur Rahman, general manager and company secretary, were also present.

Nagad Digital Bank set to get licence

Kori Digital Bank given six more months to meet criteria
STAR BUSINESS REPORT

Nagad is all set to get a licence for its ‘Nagad Digital Bank’, as it has successfully met the criteria after getting the letter of intent (LoI) from the central bank in October last year.
The details of the proposed Nagad Digital Bank were presented in the board meeting, which gave the final approval, Bangladesh Bank (BB) Executive Director and Spokesperson Md Mezbaul Haque told The Daily Star.
“So, it can be said that Nagad Digital Bank is going to get the final approval.”
The central bank’s board of directors chaired by Board Chairman and Governor Abdur Rouf Talukder took the decision of giving the licence in a meeting yesterday.
The banking watchdog has also decided to give six months’ time to the proposed Kori Digital Bank to meet the LoI criteria -- the conditions which a digital bank should fulfil to get a licence.
The BB spokesperson said the proposed Kori Digital Bank wanted more six months to fulfil the central bank criteria and the board approved it.
Nagad is now running its mobile financial services (MFS) operation without receiving a full-fledged licence from the central bank as it did not fulfil all licensing criteria.
At one point, it wanted to run its MFS operations with a non-bank financial institution (NBFI) licence and it obtained the licence in May last year.
In August 2023, Nagad surrendered the NBFI licence and sought a digital bank licence.

Inflation, dollar crises stymie

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The statistical agency projects a 5.82 percent growth in FY24.
“The brunt of the conflicting situation in the world, especially in the Middle East, may affect the social, political, and economic aspects of Bangladesh as well as the whole world,” said the MCCI.
“This conflict may have some effect on the country’s economy, according to experts,” it added.
The leading chamber, however, said the economy has been showing some signs of improvements in the last January-March quarter.
“Exports and imports are two important drivers of the economy, and amid the present situation, both have done comparatively better,” it said in the report.
It said the agriculture sector performed better in the second quarter of FY24 than the previous quarter because of favourable weather and government efforts towards ensuring the timely availability of inputs and finance.
Yet there are concerns.
The MCCI said there was a slowdown in external demand.
It said remittance inflow remained weak while there was a shortfall in revenue collection from the target and public expenditure remained

sluggish.
The chamber also cited rising inflation, depreciation of the taka against the US dollar, a decline in foreign exchange reserves, and low investment in recent months.
It said the real estate business has been sluggish, mainly because of high costs of property and a drop in the purchasing power of people as Bangladesh was yet to see tangible economic growth.
The MCCI cited sector insiders, saying they blame rising bank lending rates for a slowdown in business as it was weighing down sales despite people’s unmet demand for housing.
The MCCI said the government took quick and decisive measures to address the economic fallouts.
“The government also needs to take more actions to ensure a stable foreign exchange reserve, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities, reduce the cost of doing business,” it added.
The MCCI said the government needs to put in the effort to find new markets for exports, promote economic diversification by revisiting the incentive structure, and protect small businesses and low-income people.

Elon Musk’s xAI secures \$6b in new funding

AFP, Washington
Billionaire tech mogul Elon Musk’s startup xAI said it has raised \$6 billion from investors in an increasingly crowded artificial intelligence market.
The latest funding, including from well known venture capitalists

and a Saudi prince, takes the firm’s total valuation to \$24 billion, based on a pre-inflation figure of \$18 billion cited by Musk.
“xAI is pleased to announce... Our Series B funding round of \$6 billion,” the company said in a blog post on Sunday. “The funds from the round will be used to take xAI’s first products to

market, build advanced infrastructure, and accelerate the research and development of future technologies,” it added. Musk teased on his social media platform X that there would be “more to announce in the coming weeks”.
The latest round of funding came from Valor Equity Partners, Andreessen Horowitz, Sequoia

BB bypasses

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At least the chief executives of three private banks told The Daily Star that the banking regulator had set a bad example by approving the appointment.
“Now other banks will follow suit,” said one of them.
The central bank, in January, rejected an application from National Bank to appoint the bank’s former managing director Mehmood Husain as its adviser since it breached the rules.
Sarwar neither received phone calls nor replied to text messages.
This correspondent also sought comments from Salman F Rahman, chairman of the bank, through his public relations firm Impact PR. However, the agency did not respond to the queries.

FDI slips

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Bangladesh received the highest net FDI from the United Kingdom, which channelled \$613.93 million, or 20.4 percent of the total.
Some \$366.96 million came from the Netherlands, \$314.9 million from the United States, \$259.54 million from China, \$181.43 million from South Korea, and \$176.87 million from Norway.
In 2023, the manufacturing sector attracted the maximum net FDI, bringing in \$1.26 billion. The power, gas and petroleum sector came second with an inflow of \$581.27 million.
The trade and commerce sector received \$551.97 million, the transport, storage and communication sector got \$290.11

million, and the services brought in \$208.52 million.
FDI stock in Bangladesh was \$20.55 billion at the end of 2023, down 5.1 percent from a year prior, BB data showed. It also fell in 2022, the first decline in 19 years.
Zaved Akhtar, president of the Foreign Investors’ Chamber of Commerce & Industry, said there are a few provisions in the current tax regime that are creating an unfair tax burden on businesses. Such rules are adversely impacting the growth of investment and FDI.
This can be best illustrated by how treating disregarded expenses as separate taxable income imposes an unjust additional tax liability on businesses, thereby raising their

operational costs, he said.
This is particularly problematic because it undermines efforts to cultivate a business-friendly environment, he said.
Moreover, the FICCI chief says, the taxes are considered as deducted or collected and the minimum tax can’t be carried forward or refunded, further complicating the tax framework.
“Reforming such unfavourable rules is crucial to lessen the financial burden on businesses, which will in turn stimulate investment, and foster a more supportive business climate.”
Masrur Reaz urged the government to come up with a mid-term and long-term plan to attract a higher volume of FDI.

Allocation for interest payments

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However, the total allocation was Tk 12,376 crore, meaning that the entire year’s allocation was surpassed in only 10 months.
In dollar terms, it rose 101.5 percent to 1.15 billion.
As the taka depreciated against the US dollar in the past two years, payments through the local currency increased significantly compared to payments in dollars.
An ERD official said the average exchange rate rose to Tk 110 per dollar during the current fiscal, up from Tk 100 last fiscal.
As the Bangladesh Bank has recently hiked the price of each dollar to Tk 117, interest payments for

foreign loans will rise significantly next fiscal.
The government’s foreign loan utilisation has also been increasing in recent times, with \$10 billion of foreign loans spent during each of the last two fiscal years.
Interest payments commence once the loan is utilised, thereby increasing the overall interest expenditure.
At the same time, interest rates of market-based loans have increased. Prior to the pandemic, interest rates of such loans were below 1 percent. But they have swelled to up to 9 percent in line with the international market.
The cost of funds mobilised through the sale of treasury bonds has also been on the rise, leading

to further increases in interest expenditure.
The interest rate of treasury bonds has gone past 12 percent at present from 8 percent in June 2023, according to Bangladesh Bank data.
The interest rate for 5-year treasury bonds rose to 12.5 percent in May this year from 7.91 percent in December 2022. It was 10.3 percent in December 2023.
Though sales of instruments such as national savings certificates are currently low and interest rates against them have fallen, many schemes have matured. This means the government’s expenses in this segment have also gone up.
As of December 31, the

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
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পুলিশ সুপারের কার্যালয়, পাবনা
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খোলা দরপত্র বিজ্ঞপ্তি
তারিখ: ২৬-০৫-২০২৪খ্রি.।
দি পাবলিক প্রকিউরমেন্ট আইন-২০০৬ ও পাবলিক প্রকিউরমেন্ট বিধিমালা-২০০৬ এর তদন্তপ্রতি সর্বক আইন ও বিধি মোতাবেক আগামী ২০২৪-২০২৫ অর্থ।
সালে পাবনা জেলার পুলিশ বিভাগের নিম্নলিখিত ব্যবসায়িক মালিক কর্তৃক নির্মিত প্রকৃত টিকাদার/সরবরাহকারী/বাসযোগীদের দ্বারা হতে সীমামারকৃত খামে প্রতিযোগিতামূলক দরপত্র আহ্বান করা যাচ্ছে।