Bangladesh and India are yet to begin formal negotiations to sign a Čepa, two years since both agreed to talk.

Story on B4



5G rollout at Dhaka airport in October

Palak says

STAR BUSINESS REPORT

generation mobile internet services will be rolled out at the third terminal of Hazrat Shahjalal International Airport in Dhaka in October, said State Minister for Telecom and ICT Zunaid Ahmed Palak vesterday.

The prime minister's directive was to initially make the latest iteration of cellular technology available airports, seaports, some business districts and important industrial zones, he added.

Palak made these comments at a meeting organised by Bangladesh Telecommunication Regulatory Commission (BTRC) at its Agargaon office in the capital to

Globally, operators began launching 5G networks around 2019, with initial rollouts in major urban areas

discuss the service quality of mobile operators.

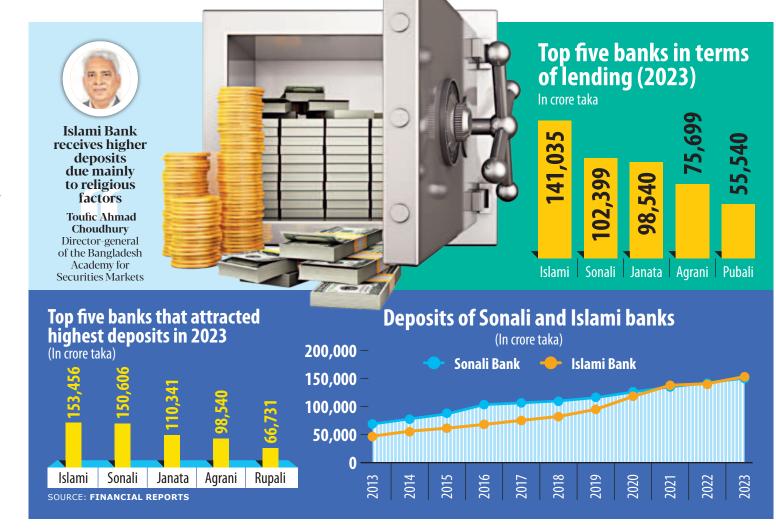
Although deployment of the new global wireless standard was a part of the ruling Awami League's election manifesto in 2018, progress has so far been limited to trial runs.

Globally, operators launching networks around 2019, with initial rollouts in major urban areas. By 2021-2022. 5G adoption peaked as more operators expanded coverage and consumers embraced the technology.

According to the GSMA, which represents interests mobile operators worldwide, 5G networks are likely to cover one-third of the world's population by 2025, which would have a profound impact on both the mobile industry and its customers.

But in Bangladesh, sluggish progress in the preparation of 5G guidelines, operators' reluctance and a lack of readiness are hindering the launch of the technology.

READ MORE ON B3



Islami Bank dethrones Sonali Bank to become largest lender by deposits

AHSAN HABIB

Islami Bank Bangladesh PLC has become the largest lender in the country by total deposits for the first time, surpassing Sonali Bank PLC, despite loan scams in recent

The Shariah-compliant bank attracted deposits of Tk 153,456 crore in 2023, an increase of around 9 percent year-on-year. Sonali Bank, the largest state-

run lender, mobilised deposits worth Tk 150,606 crore, up 6 percent, according to the financial reports.

This makes Islami Bank the largest bank in Bangladesh in terms of deposits and loans (investments). Its lending has been much higher than the staterun lender for several years.

"Islami Bank receives higher deposits due mainly to religious factors," said Toufic Ahmad Choudhury, director-general of the Bangladesh Academy for Securities Markets.

"Apart from this, people have limited investment opportunities to keep their funds safe. People can buy land and flats, but they

have managed to retain the trust of depositors."

Established in 1983, Islami Bank was the first Shariah-based S Alam Group took it over. Since generate incomes.

are also cheated. Therefore, banks Bangladesh Institute of Bank Islami Bank. Management, said depositors don't bother about whether banks are safe options or not, and they have little bank in Southeast Asia. It has knowledge about how financial been facing crisis since 2017 when institutions use the funds to

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then, its financial health has been deteriorating and many sponsors have already pulled out.

It has recently come under scrutiny due to widespread financial scams. For example, the bank allegedly disbursed Tk 7,246 crore in loans to nine companies in 2022 violating banking norms.

Choudhury, also a former director-general of the

Private banks are also expanding their footprint by setting up agent banking outlets and by launching mobile financial services and internet banking. On the back of new technologies, they are growing fast while state-

run banks are lagging. In terms of network, Sonali Bank is still the largest lender in Bangladesh and much ahead of

Islami Bank had 394 branches at the end of 2023 whereas it was 1,232 for Sonali Bank. State-run Agrani Bank came second with 978 branches and Janata was third-placed with 928 branches.

Choudhury said Sonali Bank has to give many government services, and it can't focus on collecting deposits like its privatesector competitors. "However, this bank's financial performance is improving."

Historically, people have had more trust in state-run banks, and they expanded their footprint across the country through branches, which netted them comparatively higher deposits.

Janata Bank collected the third highest volume of deposits of Tk 110,341 crore last year. It was Tk 98,540 crore for Agrani Bank, Tk 66,731 crore for Rupali Bank, and Tk 60,574 crore for Pubali Bank, their financial reports showed.

Among the foreign banks, Standard Chartered Bangladesh raised the highest deposit at Tk 41,940 crore, a year-on-year increase of around 15 percent.

VAT exemptions dropped 17% in 2022

NBR publishes VAT expenditure report for first time

MD ASADUZ ZAMAN

The National Board of Revenue (NBR) exempted various goods and services from value-added tax (VAT) payments to the tune of Tk 129,570 crore in 2022 to give some relief to citizens and facilitate industrialisation, thereby accelerating economic

In 2021, the figure was estimated at Tk 155,732crore, according to the NBR's "Bangladesh VAT Expenditure Report 2023-24" published in June for the first time.

This means the exemption amount had dropped by 16.79 percent.

Had the exemptions not been in place, tax collections, and subsequently the tax to GDP ratio. would have increased, reducing the state's dependence on borrowing to finance expenses.

In FY23, Bangladesh's tax-GDP ratio was 7.30 percent, one of the lowest among comparable countries.

"We are trying to come out from the tax exemption culture gradually," said a senior NBR official yesterday. The NBR official explained that VAT is

applicable on all types of goods and services but the government provides the exemptions based on their necessity to ease pressure on consumers. "The government is looking to identify sectors

which have been enjoying the tax benefits for years on end and have almost achieved self-sufficiency." Withdrawing their benefits will enhance

revenue mobilisation and tax-GDP ratio, he said. The tax authority took the initiative for the first time after International Monetary Fund (IMF) asked to calculate revenue expenditure as a part of conditions for a \$4.7 billion loan.

The IMF also advised rationalisation of tax exemptions targeting Bangladesh's country status graduation from the list of least developed countries in November 2026.

"Definitely, this expenditure is a big reason for the low revenue collection," said Towfiqul Islam Khan, an economist and a senior research fellow at the Centre for Policy Dialogue.

"But we have to observe how the NBR has set its pace and priority to cut the existing exemption," he said. **READ MORE ON B3**



Gold ▼ 0il	
	•
(per ounce) (per ba	

ASIAN MARKETS FRIDAY CLOSINGS			
MUMBAI	токуо	SINGAPORE	SHANGHAI
▲ 0.27% 79,032.73	0.61% 39,583.08	0.32% 3,332.80	0.73% 2,967.40

Linde's profit plunged 40% in 2023

STAR BUSINESS REPORT

Linde Bangladesh's profit plummeted 40 percent year-onyear to Tk 52.56 crore in the year that ended on December 31. The profit of the manufacturer of industrial gas stood

at Tk 88.33 crore in 2022. Thus, it reported consolidated earnings per share of Tk 34.54 for last year against Tk 58.04 a year prior. The profit declined owing to a reduction in sales, an elevated level of raw material prices, and a sharp

depreciation of the taka, said the company on June 20 while unveiling an interim dividend based on the audited financial statements as on October 31. The directors proposed 1,540 percent in interim dividend, or Tk 154 per share. However, the company did

not announce any further dividend, meaning the same interim dividend will be considered as the final dividend for the last financial year. Still, this is the highest dividend for the shareholders in

at least nine years, data from the Dhaka Stock Exchange (DSE) showed.

Shares of Linde Bangladesh, however, closed down 0.26 percent to Tk 1,283.20 on the DSE yesterday. The consolidated net asset value per share slipped

to Tk 386.80 in 2023 from Tk 397.39 in 2022 while consolidated net operating cash flow per share jumped to Tk 63.72 from Tk 37.32.

Linde's profit, however, rose 25 percent year-on-year to Tk 17.50 crore in the first quarter of 2024. Thus, the EPS climbed to Tk 11.50 in January-March from Tk 9.22 in the

READ MORE ON B3

Economy in FY25: Is there any light at the end of the tunnel?

ANALYSIS

MD MEHEDI HASAN

There is hope that the major challenges Bangladesh is facing due to high inflation and the foreign reserve crisis will stabilise gradually in fiscal year 2024-25, but consistency in maintaining a strict policy stance will be imperative to that end.

While most countries, including the US, India and even cash-strapped Sri Lanka, succeeded in controlling inflation, the consumer price index (CPI) of Bangladesh has kept rising. Inflation in the country has persistently

hovered above 9 percent since March last year and the Bangladesh Bank (BB) failed to control it for two major reasons.

The first is that the central bank was very late in its response to rising inflation and the other is that the interest rate cap, which persisted in various forms until May 8 this year, made the government's monetary policy ineffective.

The central bank also injected fresh money into the economy by providing loans to the government, stimulus packages after the pandemic, and liquidity support for some weak Islamic banks, fuelling inflation.



central bank has finally adopted some reform initiatives as per the prescription of the International Monetary Fund (IMF) for a \$4.7 billion loan programme.

One of the biggest reforms was made by the banking regulator when it scrapped the interest rate ceiling and allowed banks

However, positivity is in the air as the to fix interest rates based on market

In April 2020, the BB first introduced a 9 percent interest rate ceiling. Although that was withdrawn at the beginning of FY24, the banking regulator introduced a new interest rate system based on the sixmonth moving average rate of treasury

bills, abbreviated as SMART, which served as another cap. Among other reforms, the BB hiked

the repo rate or policy rate several times, bringing it to 8.50 percent, in a bid to make money costlier and tame skyrocketing inflation.

Not only that, after huge criticism from different corners, the central bank decided to stop providing loans to the government from FY24.

Another major reform came in the foreign exchange rate as the central bank made it flexible by introducing the crawling peg system.

In May, US ratings agency Moody's projected that Bangladesh's foreign exchange reserves position would stabilise over the next few months despite the country repeatedly failing to fulfil the IMF's reserve target due to a drastic fall in forex holdings over the past two years.

So, there is a scope for all the initiatives taken by the central bank and the government to lead to positive outcomes in the new fiscal year, but consistency in regard to a strict policy stance is important.

The Bangladesh Bank is going to announce the monetary policy for the first half of FY25 in the third week of July, with the main objective of controlling inflation and achieving the GDP growth target set by the government.

READ MORE ON B3

BUSINESS

BRAC Bank launches VISA Platinum Flexi Credit Card

STAR BUSINESS DESK

BRAC Bank launched a new "VISA Platinum Flexi Credit Card" designed for the youth and young professionals aspiring to elevate their lifestyle.

The new credit card comes with a wide range of lifestyle, travel, hotel stay, and dine-in benefits for cardholders at a competitive annual fee.

The card's welcome pack offers discounts at electronic shop Gadget & Gear, travel partner ShareTrip, fashion outlet Artisan, restaurant partner Six Seasons Hotel and resort partner Dera Resort & Spa, according to a press release.

The card will make e-commerce transactions easy and convenient for the new generation customers with opportunities to avail bonus reward points at leading e-commerce platforms like Amazon, AliExpress and Google.

Commenting on the youth-centric credit card, Md Mahiul Islam, deputy managing director and head of retail banking of the bank, said: "Equipped with advanced contactless technology, the card offers attractive privileges and flexible payment options to cater to their evolving needs.

"With this card, we aim to complement the unique lifestyle of the next generation and support their personal and professional The cardholders achievements." will enjoy double reward points on point of sale (POS) and e-commerce transactions on Fridays.

The card will facilitate contactless transactions, enabling smart, onthe-go and touch-free transactions preferred by the young people. The cashless transactions will entitle them to a monthly 200 bonus reward point for minimum retail spending worth Tk 10,000.

Transcom Digital names 'Dream Exchange Offer' campaign winner



Senior officials of Transcom Digital hand over the "JACKPOT" to Chowdhury Moazzem Hossain, the winner of "Dream Exchange Offer" scratch and win campaign, at the company's flagship showroom in Gulshan yesterday. PHOTO: TRANSCOM DIGITAL

STAR BUSINESS DESK

Transcom Digital yesterday named the winner of the "JACKPOT" in the "Dream Exchange Offer" scratch and win

Chowdhury Moazzem Hossain from Dhaka won the jackpot, receiving a set of electronics and home appliances, attractive exchange deals, free gifts, and

including a television, fridge, air much more. conditioner, washing machine, and more, according to a press release.

Senior officials of Transcom Digital handed over the prize to the winner at its flagship showroom in Gulshan.

During the "Dream Exchange Offer", customers won substantial discounts,

Transcom Digital offers the best deals on TVs, fridges, ACs, washing machines, electronics and home appliances from world-renowned brands.

Customers enjoy free delivery and free installation with every purchase.

The company launched the campaign ahead of Eid-ul-Azha.

Abdul Hai Sarker re-elected as chairman of Dhaka Bank

STAR BUSINESS DESK

Abdul Hai Sarker has recently been re-elected as the chairman of Dhaka Bank for a twoyear term. Sarker

became involved in international trade and business after graduation and became a reputed industrialist in the country. His sincere efforts and dynamic leadership culminated

in a large business conglomerate in the name of Purbani Group, the bank said in a press release.

He is the founder chairman of Dhaka Bank, former vice-chairman of the Bangladesh Association of Banks, and a founder member of the board of trustees of the Bangladesh Enterprise

He was a director of the Federation of Bangladesh Chamber of Commerce and Industries, chairman of the board of trustees of Independent University, Bangladesh. He also served as president of the Bangladesh Textile Mills Association for four consecutive terms.

He was also an associate director of the International Cotton Association, based in Liverpool in the United Kingdom.

Unemployment rises in Germany

REUTERS, Berlin

The number of people out of work in Germany rose more than expected in June, showing how economic weakness is taking its toll on the labour

Federal Labour Office figures showed on Friday that the number of unemployed grew by 19,000 in seasonally adjusted terms. Analysts polled by Reuters had expected that figure to rise by 15,000.

PRICES OF KEY ESSENTIALS

LankaBangla Finance upgrades PCI DSS certification

STAR BUSINESS DESK

LankaBangla Finance upgraded to the latest version of the Payment Card Industry Data Security Standard (PCI DSS, version 4) certification, endorsed by VISA, Mastercard and other major card brands.

PCI DSS, a security standard for major branded cards, is overseen by the Payment Card Industry Security Standards Council (PCI SSC).

Enterprise Infosec Consultants, the local agent of the PCI SSC in

Bangladesh, distributed the certificate. This certification acknowledges the company's adherence to the mandatory controls established by the PCI SSC, utilising advanced technology to ensure the effectiveness, efficiency, confidentiality, and integrity of its credit card business operations.

Achieving this certification demonstrates LankaBangla Finance's strong commitment to credit card security and makes it the first non-bank financial institution (NBFI) in Bangladesh to receive this accreditation.



AKM Kamruzzaman, acting managing director of LankaBangla Finance, receives a certificate PHOTO: LANKABANGLA FINANCE

% CHANGES PRICE (JUNE 30, FROM A FROM A 2024) MONTH AGO Fine rice (kg) Tk 60-Tk 78 1.47 2.22 Tk 48-Tk 52 Coarse rice (kg) 2.04 -5.56 🕹 Loose flour (kg) Tk 40-Tk 45 -20.56 🕹 Lentil (kg) Tk 105-Tk 110 13.16 Soybean (litre) Tk 145-Tk 152 -13.16 🔱 Tk 58-Tk 60 7.27 Potato (kg) 57.33 🕇 22.58 🕇 Tk 90-Tk 100 Onion (kg) 40.74 Tk 50-Tk 54 11.83

IN DHAKA CITY

Community Bank holds board meeting

STAR BUSINESS DESK

Bangladesh Community Bank yesterday held its 54th board meeting at the Police headquarters in Dhaka.

Inspector General of Police Chowdhury Abdullah Al-Mamun, chairman of the bank, presided over the meeting.

A slew of important decisions proposals and various agenda on policy matters during the meeting.

Md Monirul Islam, additional

IG of special branch at Bangladesh Zia Uddin, deputy inspector general Police, SM Ruhul Amin, additional IG of Anti-Terrorism Unit, Md Atiqul DIG of Development Revenue-1, Islam, additional IG of Crime & Operations, Abu Hasan Muhammad Tarique, additional IG of Finance. Md Mahabubor Rahman, additional IG of Industrial Police, Mohammad Ali Mia, additional IG of Criminal Investigation Department, and Habibur Rahman, additional IG were taken regarding investment and Police Commissioner at Dhaka Metropolitan Police, were present.

Md Aminul Islam, deputy inspector general of Admin, Quazi

of HRM, Shoeb Reaz Alam, additional Muntashirul Islam, additional DIG of Police Welfare Trust at Police headquarters, Sufian Ahmed, additional DIG and director of Academic at Police Staff College, BM Forman Ali, inspector of Bangladesh Police and president of Bangladesh Police Association, Masud Khan and Kazi Masihur Rahman, independent directors of the bank, and Masihul Huq Chowdhury, managing director, were also present.



PHOTO: COMMUNITY BANK BANGLADESH

Inspector General of Police Chowdhury Abdullah Al-Mamun, chairman of Community Bank Bangladesh, presides over the bank's 54th board meeting at the Police Headquarters in Dhaka yesterday.

IMF lowers Ukraine's growth outlook

AFP, Washington

The IMF executive board voted Friday to approve a \$2.2 billion payout for Ukraine under an existing loan announcing the decision. program, and lowered its growth outlook following "devastating" Russian attacks against the country's energy infrastructure.

used for "budget support," and bring external support," IMF managing

the 48-month loan agreement to around \$7.6 billion, the International Monetary Fund said in a statement

"Despite the war, macroeconomic and financial stability has been through skillful preserved policymaking by the Ukrainian The much-needed funds will be authorities as well as substantial

the total amount disbursed under director Kristalina Georgieva said in the statement.

"The economy resilient, reflecting the continued adaptability of households and firms," she added.

The IMF said all quantitative performance criteria had been met through the end of March, and that all the structural benchmarks had been met more or less on time.

Japan concerned about rapid forex moves

REUTERS, Tokyo

Japanese Finance Minister Shunichi Suzuki said on Friday that the authorities were "deeply concerned" about the impact of "rapid and onesided" foreign exchange moves on the economy, as the yen declined to 38year lows past 161 per dollar.

Speaking at a regular press

conference, Suzuki said authorities forging ahead with fiscal reform is would respond appropriately to excessive currency moves and that confidence in the Japanese currency is maintained.

"The government is closely monitoring developments in the said, adding efforts to continue

crucial. The yen fell to its weakest since 1986 at 161.155 per dollar on Friday morning, with neither

an overnight drop in US yields nor data showing solid consumer foreign exchange market with a price gains in Tokyo arresting high sense of urgency," Suzuki the downward slide in Japan's currency.



Dhaka South City Corporation

Office of the Executive Engineer Zone-02, Dhaka



Ref No. 46.207.014.24.02.126.2024

Date: 27/06/2024

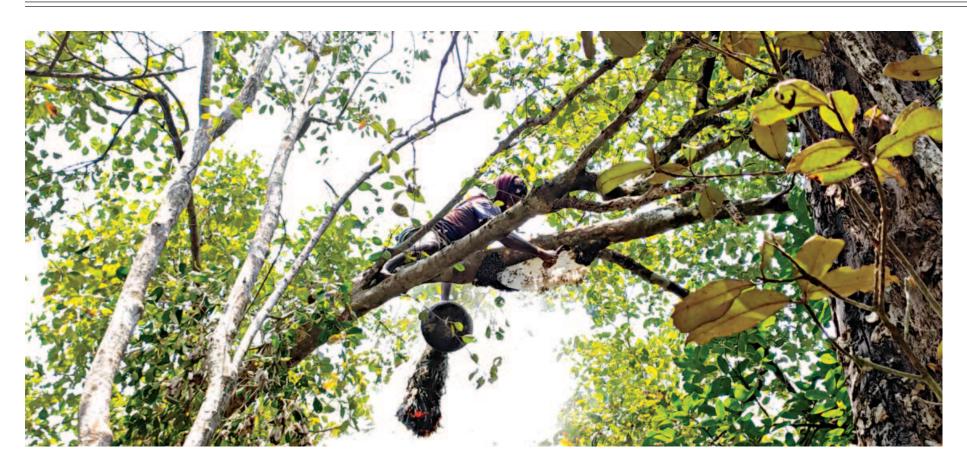
Corrigendum-1

Sl. No.	Tender ID	Name of works	Previous last selling date and time	Previous tender closing date & time	Revised last selling date and time	Revised tender closing date & time
1.	Tender ID-993288 Ref No: 46.207.014.24.02.250.2024 Date: 09.05.24 Package No- egpdscc/z02/cut/kha	Repairing Works of Road Cutting by different organization of Ward No. 6 and 8 under Zone-2 (Group- Kha), DSCC. FY 2024/2025	27-Jun- 2024 11:15	27-Jun- 2024 12:15	07-Jul- 2024 11:15	07-Jul- 2024 12:30
2.	Tender ID-993282 Ref No: 46.207.014.24.06.246.2024 Date: 05.05.2024 Package No- egpdscc/z02/w4/bmr	Development & construction work of road & drain at Basabo Madartek Main Road (Atish Dipankar Road to Nandipara Bridge) of Ward 04 under Zone 02 DSCC	01-Jul- 2024 11:30	01-Jul- 2024 12:30	11-Jul- 2024 11:30	11-Jul- 2024 12:30

This is an online tender, where only e-Tenders will be accepted in e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, please register on e-GP System Portal (http://www.eprocure.gov.bd).

DSCC/PRD/583/2023-2024

signed/ Md. Harunur Rashid Executive Engineer Zone-2 (Khilgaon) Dhaka South City Corporation



A man is collecting honey from the Sundarbans, the world's largest mangrove forest spread out between Bangladesh and India, with around 60 percent of the forest lying within the former's borders.

Move to get GI status for Sundarbans' honey finally gathers steam

SUKANTA HALDER

Seven years after an application by the deputy commissioner of Bagerhat district, the Department of Patents, Designs and Trademarks (DPDT) has finally taken the initiative to register Sundarbans' honey as a GI (geographical indication) product.

BUSINESS

The information obtained after reviewing the application was incorporated in the form of a journal and sent to the Bangladesh Government Press yesterday, read a press release from the Ministry of Industries, which oversees the DPDT.

If no objection or opposition from any third party is received within two months of the publication of the journal, the product will be registered as a GI product, it added.

The GI sign is used on products to certify that they possess certain qualities enabled by the environment, weather and culture of a specific geographical location.

The rush to secure GI status for Sundarbans' honey only gathered steam after a social media post by India's West Bengal Forest Department on May 16, through which it confirmed that it had been issued with the GI tag for honey sourced from the world's largest mangrove forest.

The Sundarbans is spread out between Bangladesh and India, with around 60 percent of the forest lying within the

India's West Bengal Forest Development applicants' side for the huge delay.

Corporation Ltd applied for the GI rights for Sundarbans' honey on July 12, 2021 and the tag was issued on January 2, 2024.

After this information came to light, experts from the Centre for Policy Dialogue said Bangladesh should explore potential avenues for joint protection of shared GI with India and put in place a legal framework to safeguard the country's traditional products.

A similar furore had unfolded surrounding the GI status of Tangail saris earlier this year after India's Ministry of Culture announced that the West Bengal State Handloom Weavers Co-Operative Society secured the GI status for 'Tangail Saree of Bengal'.

This triggered outrage and criticism from Bangladeshi citizens, with many questioning why Bangladesh failed to get GI recognition despite being the rightful

As such, the government unveiled measures to secure the GI status before the GI certificate for Tangail sari was issued on April 25 this year.

Collective apathy was largely attributed for that case, with no party applying to register the Tangail sari as a GI product until the news broke that India had secured the status.

However, that was not the issue this time, according to Munim Hassan, director general of the DPDT.

He blamed a lack of urgency from the

He said the deputy commissioner of Bagerhat had submitted an application to register honey from the Sundarbans as a GI product on August 7, 2017, but had not responded to queries afterwards.

"After examining the application in November of 2017, the deputy commissioner was informed through a letter that there was a shortage of documents, which they needed to provide so we could take the next steps. But they did not respond to the letter until 2019.

"When they did reply, they did not provide all the information we asked for. So, they were sent a letter again outlining the information we needed," he said.

This procedure was brought to a complete halt in 2020 and 2021 due to the Covid-19 pandemic, he informed.

After a return to normalcy in February 2023, the district administration of Bagerhat was again asked to send the information.

But there was no response at that time either, he said.

"I joined DPDT in September 2023. Then I talked to the deputy commissioner of Bagerhat about the matter. Then we came to know that the honey has to be tested in a laboratory. Then that was done too," he said.

"It took a long time to collect various information and complete the official procedure. Today (Sunday), the data was sent to BG Press for publication in the GI journal. The GI journal will be published of April 30, 2024.

as soon as possible," he said.

He also highlighted that the DPDT itself could not do anything if applicants were not proactive.

"Anyone who applies for GI recognition for any product should have more urgency. We only issue certificates. If no one updates the information timely, we cannot do anything," he added.

Khalid Hossain, current deputy commissioner of Bagerhat district, told The Daily Star yesterday: "Whenever we are asked for information, we try to provide it as soon as possible. Some information has to be collected from other stakeholders.

That's why it's late." Faisal Hassan, a senior information officer of the Ministry of Industries, added: "In response to DPDT's request, the Bangladesh Standards and Testing Institution prepared a test report on the nutritional value of honey in the Sundarbans and provided it to the DPDT."

He also added that the applicant had finally submitted all the required information on June 27 this year.

While official records are not available, it is estimated that around 200-300 tonnes of honey is extracted from the forest annually in Bangladesh, according to CPD documents.

On the other hand, India produces around 110 tonnes annually, the document showed.

Stocks slump amid sell-offs

STAR BUSINESS DESK

Stocks in Bangladesh fell yesterday, snapping a three-day gaining streak as skittish investors went for heavy sell-offs to secure profit before their share values could decline following the recent

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), slipped by 0.50 percent from the previous trading session to close at The DSES, an index that represents shariah-

compliant companies, slid by 0.30 percent to 1,180.01 points while the DS30, which consists of blue-chip stocks, decreased by 0.67 percent to 1,909.64 points. The market closed in the red with most

sectors that account for large amounts in market capitalisation posting a negative performance, according to the daily market update of BRAC EPL Stock Brokerage.

The non-bank financial institution sector registered the highest loss of 2 percent while engineering followed with 0.70 percent.

The banking sector saw a decline of 0.67 percent while food and allied shed 0.51 percent, pharmaceuticals 0.40 percent, fuel and power 1.70 percent and telecommunication 1.79 percent.

Daily turnover, which indicates the volume of trade, increased by 0.97 to Tk 712 crore.

Linde Bangladesh topped the turnover chart with a gain of 0.26 percent followed by Saif Power, City Genins and Beach Hatch, which rose by 9.91 percent, 0.35 percent and 0.79 percent respectively.

Block trades, which refer to high-volume transactions that are privately executed outside the open market, stood at Tk 296 crore, representing 41.6 percent of the day's total turnover.

Of the issues traded at the DSE, 268 edged lower, 92 remained higher and 38 did not see any

In its daily market update, Shanta Securities said market movement was driven by negative changes in the market cap of travel and leisure, bank and financial institution scrips amid positive changes in the market cap of telecommunication, fuel and power, services and real estate stocks.

The Chittagong Stock Exchange saw a similar trend as the CASPI, the premier index of the port city bourse, edged down by 0.14 percent to settle at 15,066.81 points.

Dollar slightly weaker

REUTERS, New York

The US dollar slipped on Friday after data showed inflation in the world's largest economy subsided last month, cementing expectations the Federal Reserve will start cutting interest rates this year.

The dollar initially fell against the yen, the currency pair most sensitive to US economic data because of a high, positive correlation to Treasury vields. The greenback, however, edged higher to trade flat on the day, with investors still focused on the wide interest rate differential between the United States and Japan.

The dollar was last up slightly against the Japanese unit at 160.815 yen, after earlier hitting a 38-year high of 161.27 yen. Traders remained on high alert for intervention from Japanese authorities to boost its currency.

VAT exemptions dropped 17% in 2022

He said there would always be some need to provide exemptions, particularly on the basis of strategic importance and distributional impact.

example, commodities should be eligible as it directly impacts low-income people,

"In those places, either the exemption should be gradually reduced or prevail permanently," he

However, the NBR official said they put high priority in ensuring the VAT exemption on agriculture products and other services which have a direct impact on general people's cost of

The study examined 699 items high in the list of consumer spending as per the 2022 Household Income and Expenditure Survey (HIES) data collected by the Bangladesh Bureau of Statistics The exemptions, also termed VAT

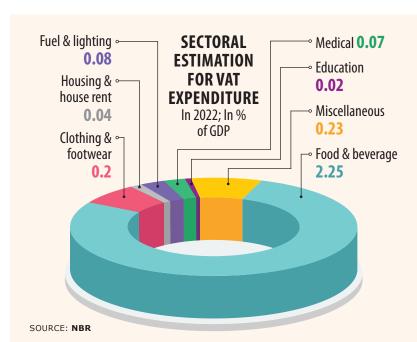
expenditure, are granted in several ways, such as through schedules or lists of eligible goods and services, regulatory orders or statutory government announcements,

subsidised rates and tax holidays. Among those eligible are wages activities, healthcare and education services.

The food and beverage sector,

and salaries, house rent, financial the largest beneficiary, receiving VAT services and spending on religious exemptions equal to 2.25 percent of the then gross domestic product (GDP).

It was followed by the clothing including agricultural activities, was and footwear sector (0.20 percent),



housing and housing rent (0.04 percent), fuel and lighting (0.08 percent) and medical expenses (0.07 percent).

The education sector witnessed the lowest VAT exemptions benefit - a meagre 0.02 percent of the GDP.

The NBR should also devise a plan on reducing the exemptions as it will enable predictability for consumers as well as producers. "It is also relevant for domestic and global investors,"

He also called for strengthening efforts to prevent VAT evasion and ensure good governance as there were many complaints of VAT not reaching the government exchequer even after being paid by consumers.

The report identified room for improvements in VAT exemption reporting and put forward a set of recommendations.

The recommendations include eligibility redefining assessing the distributional impact and conducting periodic assessments and evaluations.

"However, the consistent decrease in net VAT revenue as a percentage of GDP is concerning, indicating the necessity for policy revisions," said

brunt of rising prices.

Economy in FY25

Ahead of that, the question on everyone's mind is regarding the kind of policy stance that will be adopted, especially as lower and middleincome people have been bearing the

On a 12-month average between June 2023 and May 2024, the inflation rate stood at 9.73 percent, much higher than the BB's target of 7.5 percent for the outgoing fiscal year of 2023-24.

The government aims to contain the CPI to 6.5 percent for FY25.

In its latest publication, the IMF aid the macroeconomic outlook of Bangladesh is expected to gradually stabilise as policy actions start to take hold. Bangladesh Bank executive director and spokesperson Md Mezbaul Haque told The Daily Star

yesterday that the forex market is liquid now due to higher inflows of US dollars. He added that remittance earnings

had been increasing after the flexible exchange rate was introduced. Ahsan H Mansur, executive

director of the Policy Research Institute of Bangladesh, said the dynamism in the economy depended on policy measures.

If the central bank and the government maintain strict policy measures, it will help reduce inflation, as per the economist

The government has also set high bank borrowing targets for the new fiscal year, but banks are facing liquidity shortages, he said, adding that the central bank will have to be strict about its decision to refrain from granting loans to the government.

Linde's profit plunged 40%

identical period a year ago, according to the unaudited financial statements.

The EPS increased mainly due to an increase in sales coupled with higher gross margin partially offset by higher operating expenses, said the company in a filing on the DSE.

Linde has been a key player in Bangladesh's industrial gas sector for more than 50 years. Operating through 18 sales centres, it serves more than 35,000 customers.

Its products include liquid and gaseous oxygen and nitrogen, argon,

acetylene, carbon dioxide, dry ice refrigerant gases, lamp gas, and medical oxygen. Linde has decided to divest its welding electrode business to ESAB Group, an American-Swedish industrial company, by selling 13.82 crore shares of Linde Industries Private Ltd, a wholly-owned subsidiary of Linde Bangladesh. "In our view, this is a possible one

off dividend, distributing the sell-off proceeds by the company," said BRAC EPL Stock Brokerage Company in a note to clients earlier, while commenting on the record dividend payout.

5G rollout at Dhaka airport

At the meeting, Palak said telecom operators in Bangladesh will be forced

Palak also issued a warning, saying that stricter measures would be implemented to ensure better telecom services from July 1.

phones

page after the meeting.
In most cases, mobile operators are

failing to deliver on their promises. Customers frequently experience call drops and inconsistent coverage for services like voice calls and data, he said They are also not getting 4G services

everywhere of a similar quality, he said. "Recent inspections and tests conducted by the BTRC in various locations of the country indicate that the quality of service provided by mobile operators does not meet the

Islami Bank dethrones

Pubali Bank posted a 19 percent growth to Tk 60,574 crore, becoming the top deposit collector among local conventional banks.

A top banker said depositors of Shariah-based banks usually don't keep funds with conventional banks, and the number of depositors in Islamic banks is rising steadily. "Besides, financially strong and sound banks get more deposits."

Islami Bank lent Tk 141,035 crore in 2023. Sonali Bank came second in the category by extending loans amounting to Tk 102,399 crore.

Janata, Agrani, and Pubali Bank were among the top lenders. Although Islami Bank topped

the chart in attracting deposits and

providing loans, it ranked lowly in the list of top profit-makers.

Standard Chartered posted the highest profit among all banks, netting a record Tk 2,335 crore in 2023 followed by HSBC's Tk 999 crore, BRAC Bank's Tk 827 crore, Dutch-Bangla Bank's Tk 801 crore, Sonali Bank's Tk 747 crore, and Pubali

Bank's Tk 697 crore. Another top banker said many people keep their funds with Shariah-based banks even if they offer a lower return or their financial strength is weak.

They keep funds with a view to avoiding interests in conventional banks. Even, some of my close relatives don't keep funds in my banks," he said. "So, this is a pure case of belief."

EU further scrutinises Microsoft, OpenAI tie-up

REUTERS, Brussels

The EU will examine the impact Microsoft's multi-billiondollar partnership with ChatGPT developer OpenAI on competition in the fast-growing AI market, the bloc's antitrust chief said Friday.

But the European Commission concluded after a preliminary examination that the \$13 billion tie-up did not mean the US tech giant had taken control of OpenAI. "The key question was whether

Microsoft had acquired control on

a long-lasting basis over OpenAI. After a thorough review... we concluded that as such, it was not the case," said EU competition commissioner, Margrethe Vestager. "So we are closing this chapter.

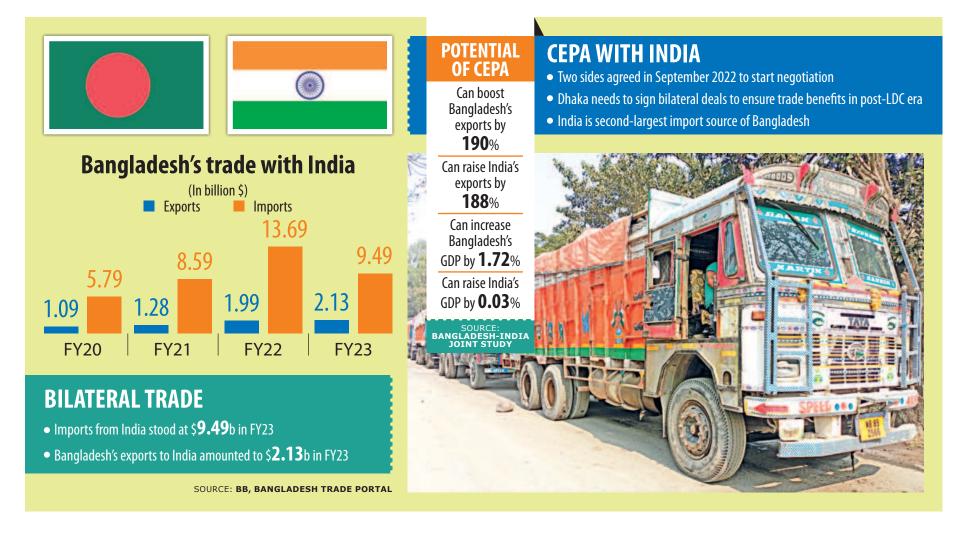
But the thing is that the story is not over," she said during a speech in Brussels. Instead, the EU has now demanded more information from Microsoft about the agreement between the two companies, Vestager said, "to understand whether certain exclusivity clauses could have a negative effect on competition".

to compensate customers for call drops.

telecommunication services are now essential in our daily lives. However,

many customers remain dissatisfied with the level of service they receive," Palak said on his verified Facebook

promised standards," he added.



Payment period for raw material imports extended

STAR BUSINESS REPORT

Bangladesh Bank has extended the usance period-the allowable time between the date of the bill and the date of payment-by another six months for the imports of industrial raw materials, agricultural machinery and chemical fertilisers.

It means, the grace period to make payments for the goods imported through letters of credit (LC) will end on December 31 this year, which was supposed to end yesterday, according to a Bangladesh Bank circular.

Earlier on December 14 last year, the central bank extended usance period to 360 days from 180 days and made it effective until June 30 this year.

This usance period of 360 days will be applicable in case of imports of industrial raw materials, including back-to-back imports and imports of agricultural implements and chemical fertilisers under the buyer's credit.

Jamuna Bank to set up asset management company

STAR BUSINESS REPORT

Jamuna Bank PLC is going to establish an asset management company.

In a filing on the Dhaka Stock Exchange yesterday, the private commercial lender said the board of directors in principle agreed to set up a fully owned subsidiary for the asset management company.

The plan is subject to approval from the shareholders of the company and regulators. Asset management companies invest pooled funds from clients into various securities and assets.

Shares of Jamuna Bank were up 1.82 percent to Tk 16.80 on the DSE

No visible progress in signing Cepa with India

REFAYET ULLAH MIRDHA

Bangladesh and India are yet to begin the formal negotiation to sign the Comprehensive Economic Partnership Agreement (Cepa) although nearly two years have passed since both countries agreed to kick off the talks.

Dhaka needs to pen bilateral deals with trading partners in order to retain preferential market access in the post-LDC era since duty-free export facilities end once the country becomes a developing nation.

Bangladesh and Bhutan signed a preferential trade agreement (PTA) in December 2020, the first bilateral trade pact for the former. The deal came into effect in July 2022, much ahead of Bangladesh's scheduled graduation from the group of the least-developed countries (LDCs) in November 2026.

There has not been visible progress when it comes to inking trade deals with other countries, including India.

No specific timeline to begin the talks about the Cepa was cited in the joint statement issued after the meeting of both Bangladeshi Prime Minister Sheikh Hasina and her Indian counterpart Narendra Modi in New team is ready." Delhi in the third week of June.

Minister for Commerce Ahasanul Islam Titu told The Daily Star.

After the meeting, the Indian Ministry of External Affairs, in a statement, said Bangladesh and India agreed to strengthen trade and investment ties, including through an early commencement of negotiations

The statement also talked about an early operationalisation of two special economic zones offered by Bangladesh to India in Mongla and Mirsharai, the opening of new border haats, trade facilitation to enhance bilateral

commerce, and improving road, rail, air, and maritime connectivity, and trade infrastructure.

Both Hasina and Modi welcomed the findings of a joint study on the Cepa in a statement in September 2022 and agreed to start the negotiations, saying a Cepa would be beneficial for both

The Bangladesh Foreign Trade Institute and the Centre for Regional Trade of India conducted the study based on trade data between 2015 and

Dhaka needs to pen bilateral deals with trading partners in order to retain preferential market access in the post-LDC era since duty-free export facilities end once the country becomes a developing

Titu said Bangladesh is ready to hold the first formal dialogue with India. He is optimistic that the inaugural

"The political signal for beginning Both prime ministers talked about the formal Cepa negotiation is the Cepa during the meeting, State important," said Mustafizur Rahman, a distinguished fellow of the Centre for

> Policy Dialogue. He said perhaps both countries are taking more time to begin the talks. Had there been strong political commitment, the process would have

> Also, maybe, the negotiators are taking more time to study further before signing the Cepa, he said.

fast-tracked.

Inking a trade deal would be important for both countries because they are increasingly becoming an important trade partner for each other.

India is the second-largest import found.

source for Bangladesh after China. Imports from India stood at \$9.49 billion in the fiscal year of 2022-23

while exports to the country amounted

to \$2.13 billion, figures from Bangladesh

Trade Portal and Bangladesh Bank Bangladesh mainly imports textiles and fabrics, industrial raw materials and intermediate goods, food items,

If Bangladesh can sign bilateral deals, it would be able to access LDCinduced benefits for three more years

cotton and chemicals for industrial

after graduation. "Bangladesh's strategy should be enjoying the LDC scheme as long as possible. Simultaneously, we should be well-prepared for the Cepa," said

Bangladesh might not make a large gain from the Cepa since it would lose the duty-free market access as an LDC, said the joint study. On the other hand, India will make a larger gain primarily through the removal of existing high

"The fear of losing the revenue from for the delay in launching the formal negotiation," CPD's Rahman said.

Bangladesh, however, has the potential to benefit from trade in services in tourism, transport and educational cooperation, and also through the creation of jobs by attracting Indian investments.

The Cepa is expected to boost Bangladesh's exports by 190.15 percent, and even more, if transaction costs are reduced through improved connectivity, according to the study.

India's exports to Bangladesh are expected to surge by 188 percent.

The Cepa will expand the size of Bangladesh's GDP by 1.72 percent and India's by 0.03 percent, the study

AI set to revolutionise agriculture in Bangladesh

MD ZIAUL HAQUE BHUIYAN

Agriculture, the backbone of Bangladesh's economy, is on the brink of a technological revolution. With agriculture contributing approximately 13.6 percent to the national GDP and employing nearly half of the workforce, advancements in artificial intelligence (AI) offer an unprecedented opportunity to enhance productivity and sustainability in the sector.

Bangladesh, like many developing countries, faces technological backwardness in agriculture. AI can act as a catalyst, fast-tracking the adoption of advanced technologies.

Empowering farmers with disease identification Identifying plant diseases early and accurately has been a perennial challenge for Bangladeshi farmers. Traditional methods often require expert knowledge and significant time investment, resources that smallholder farmers frequently lack. AI technology is poised to change this dynamic.

Leveraging image recognition, AI systems can identify plant diseases with remarkable accuracy. Farmers can photograph an affected plant using a smartphone, and the AI will diagnose the disease and suggest remedies. This innovation saves time and prevents crop losses, ensuring better yields and income for farmers.

Accessible consultations for illiterate farmers A significant number of Bangladeshi farmers are illiterate or have limited formal education. Traditional dissemination methods, like written manuals, are often

ineffective for these farmers. AI-powered systems can provide consultations over the phone, language natural

processing (NLP) to understand and respond to processing queries in local languages. interaction makes it easier for farmers to receive expert advice, improving their farming practices and decision-making. This also solves the dependency

on smartphones, a blocker to reaching out to many farmers in

e country. **Adapting agricultural education**

To effectively implement these technological advancements, agricultural universities in Bangladesh must adapt quickly. Updating curricula to include the latest technologies and AI applications is essential.

Equipping students with knowledge and skills in

modern agricultural practices will ensure a future-ready workforce capable of driving the sector forward.

Role of start-ups in bringing new technology

Agritech start-ups in Bangladesh are emerging as key players in introducing new technologies. Though still few, some start-ups have gained recognition and secured funding.

Notable examples include iFarmer, Khamar-e, Integrated Precision Agriculture and Engineering Bangladesh (iPAGE), Krishi Shwapno, Bhalo Social Enterprises, and Fashol. These start-ups are at the forefront of integrating AI and other advanced technologies into agriculture, providing innovative solutions that enhance productivity and sustainability.

Global success stories

Al's transformative potential in agriculture is evidenced by success stories worldwide. In India, the AI-powered app Plantix helps farmers identify pests and diseases by analysing photos of crops, significantly reducing crop loss and improving yields.

In the United States, Blue River Technology, acquired by John Deere, uses machine learning to develop precision agriculture equipment that identifies and manages individual plants, reducing herbicide use and improving crop management. In Africa, AI-powered drones for precision farming have improved irrigation management, soil analysis, and crop monitoring, increasing productivity and sustainability.

The integration of AI into agriculture in Bangladesh promises a transformed landscape. By enabling disease identification, providing accessible consultations, supporting start-ups, updating educational curricula, and learning from global success stories, AI can significantly enhance agricultural productivity and sustainability.

As Bangladesh strides towards a technologically advanced future, AI will undoubtedly play a crucial role in shaping its agricultural success.

The author is chief of staff of ShopUp.

China factory activity contracts for second month

AFP, Beijing

Factory activity in China shrank for a second straight month in June, data showed Sunday, underscoring the country's shaky economic recovery ahead of a key political gathering expected to focus on deepening reform.

The manufacturing purchasing managers' index (PMI) - a key measure of factory output -- registered at 49.5 in June, identical to May's figure, according to the National Bureau of Statistics (NBS).

The latest official index was in line with a Bloomberg forecast based on a survey of economists. A PMI figure below 50 indicates a decline activity, while

anything above indicates an expansion. Policymakers are due to convene in the capital Beijing

in mid-July for a highly anticipated political gathering expected to focus on economic recovery. Contraction in the manufacturing sector is a worrying

sign for the world's second-largest economy, which has struggled to regain momentum since late 2022, when Beijing scrapped tough pandemic policies that had weighed heavily on growth.

China's non-manufacturing PMI -- which takes activity in the services sector into account -- expanded in June at 50.5, the NBS also said Sunday.

But despite the growth, that figure represented a drop from the 51.1 notched the previous month and was also lower than the 51.0 forecast by Bloomberg's survey.

NBS statistician Zhao Qinghe cautioned in a statement Sunday that while the country had "maintained overall expansion" in June, "the foundation for continuing recovery and improvement still must be consolidated".

Saudi Arabia may cut oil prices for Asia for second month in August

REUTERS, Singapore

Top oil exporter Saudi Arabia may cut prices for crude grades it sells to Asia for a second month in August, tracking weakness in Middle East benchmark Dubai, trade sources said on Friday.

The potential price reduction for Asia, which accounts for about 80 percent of Saudi's oil exports, underscores the pressure faced by Opec producers as non-Opec supply continues to grow while the global economy faces headwinds.

The official selling price (OSP) for flagship Arab Light crude sold to Asia in August may fall by 60 cents to 80 cents a barrel from July, possibly to the lowest since April, four sources at Asian refineries said in a Reuters survey.

The respondents expect slightly deeper price cuts for heavier grades - Arab Medium and Arab Heavy - than Arab Light on improving supply from Mexico and Canada.

Comparatively higher prices for Saudi oil prompted refiners in China to reduce imports from Saudi Arabia for a third straight month in July.

The potential price cuts for August



A general view of Aramco's oil field in the Empty Quarter, Shaybah, Saudi Arabia. The potential price reduction for Asia, which accounts for about 80 percent of Saudi's oil exports, underscores the pressure faced by Opec producers as non-Opec supply continues to grow.

are expected to track a narrowing in backwardation for Dubai's monthly price spreads by 85 cents this month from May, a sign of tight supply easing. Backwardation refers to higher prompt prices than those in future months.

Global crude futures have been supported by Opec+ cuts and peak summer demand in the northern hemisphere, which is expected to lead to a supply deficit this quarter although analysts expect more supply to come from non-Opec producers in the Americas.

The average margin at a complex refinery in Singapore, the bellwether for Asian refiners, stabilised at \$3.62 a barrel in the past 15 days after falling for two straight months, LSEG data showed. Saudi crude OSPs are usually released around the fifth of each month, and set the trend for Iranian, Kuwaiti and Iraqi prices, affecting about 9 million barrels per day (bpd) of crude bound for Asia.

State oil giant Saudi Aramco sets its crude prices based on recommendations from customers and after calculating the change in the value of its oil over the past month, based on yields and product