

# Star BUSINESS

## 5G rollout at Dhaka airport in October

Palak says

STAR BUSINESS REPORT

Fifth generation (5G) 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 yesterday.

The prime minister's directive was to initially make the latest iteration of cellular technology available at 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.

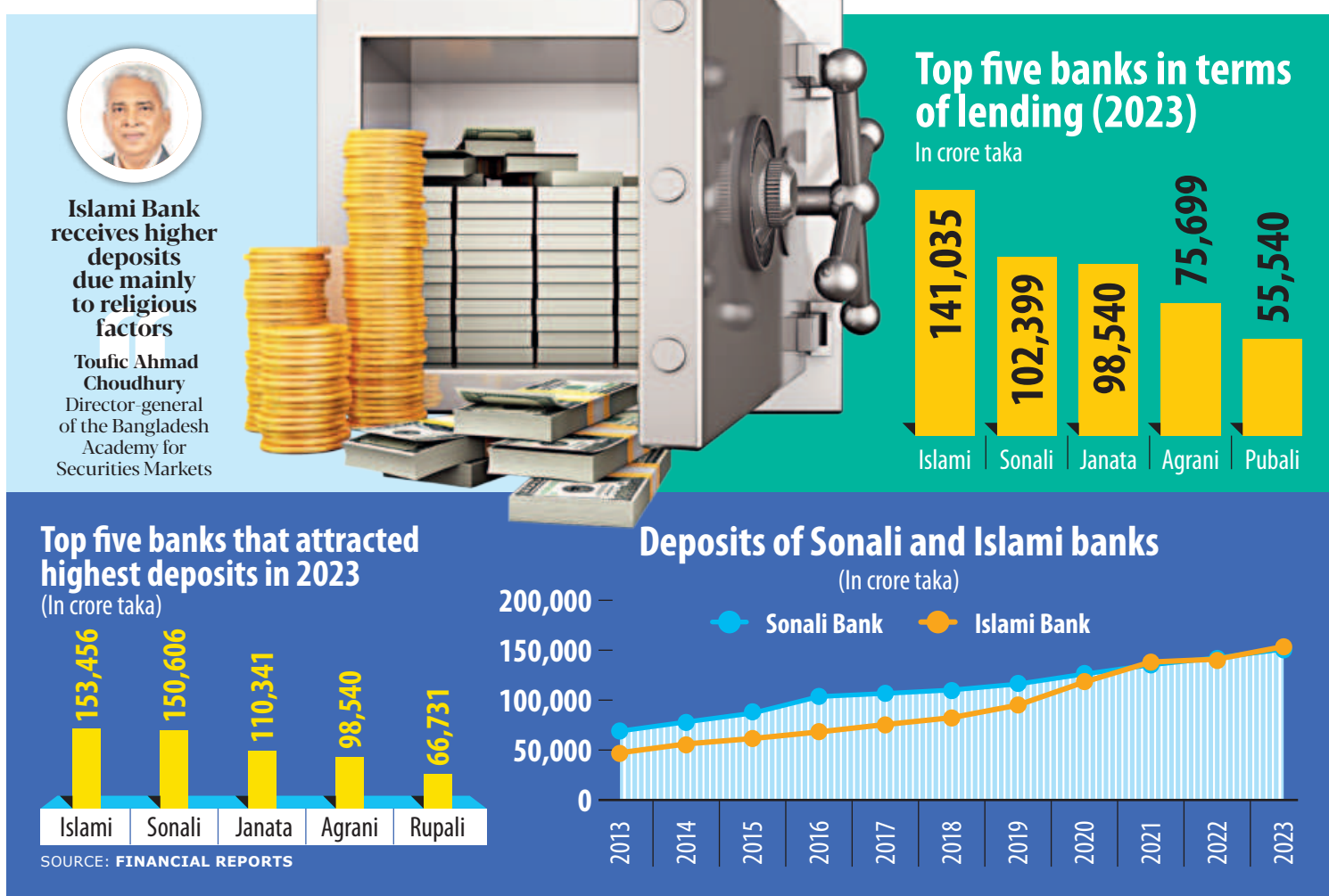
Although the deployment of the new global wireless standard was a part of the ruling Awami League's election manifesto in 2018, progress has so far been limited to trial runs.

Globally, operators began launching 5G 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 of 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.

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## 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 years.

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 state-run 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

are also cheated. Therefore, banks have managed to retain the trust of depositors."

Established in 1983, Islami Bank was the first Shariah-based bank in Southeast Asia. It has been facing crisis since 2017 when S Alam Group took it over. Since

Bangladesh Institute of Bank Management, said many depositors don't bother about whether banks are safe options or not, and they have little knowledge about how financial institutions use the funds to generate incomes.



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.

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 private-sector 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.

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



Story on B4

## 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 growth.

In 2021, the figure was estimated at Tk 155,732 crore, 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.

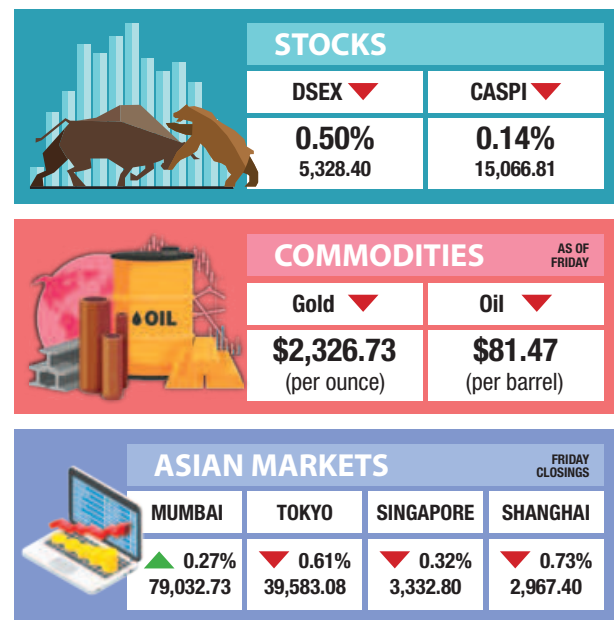
The tax authority took the initiative for the first time after International Monetary Fund (IMF) asked to calculate revenue expenditure as a part of conditions for a \$4.7 billion loan.

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.

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## Linde's profit plunged 40% in 2023

STAR BUSINESS REPORT

Linde Bangladesh's profit plummeted 40 percent year-on-year 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

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



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.



However, positivity is in the air as the 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

to fix interest rates based on market factors.

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 six-month 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.

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## 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 achievements." The cardholders will enjoy double reward points on point of sale (POS) and e-commerce transactions on Fridays.

The card will facilitate contactless transactions, enabling smart, on-the-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 campaign.

Chowdhury Moazzem Hossain from Dhaka won the jackpot, receiving a set of electronics and home appliances,

including a television, fridge, air 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, attractive exchange deals, free gifts, and

much more.

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 two-year 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 Institute.

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 market.

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.

## 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 from representatives of Enterprise Infosec Consultants at the former's head office in Dhaka recently.

PHOTO: LANKABANGLA FINANCE

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JUNE 30, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 78	1.47 ↑	2.22 ↑
Coarse rice (kg)	Tk 48-Tk 52	0	2.04 ↑
Loose flour (kg)	Tk 40-Tk 45	-5.56 ↓	-20.56 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 152	.68 ↑	-13.16 ↓
Potato (kg)	Tk 58-Tk 60	7.27 ↑	57.33 ↑
Onion (kg)	Tk 90-Tk 100	22.58 ↑	40.74 ↑
Egg (4 pcs)	Tk 50-Tk 54	-.95 ↓	11.83 ↑

SOURCE: TCB

## Community Bank holds board meeting

STAR BUSINESS DESK

Community Bank Bangladesh 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 were taken regarding investment proposals and various agenda on policy matters during the meeting.

Md Monirul Islam, additional

IG of special branch at Bangladesh Police, SM Ruhul Amin, additional IG of Anti-Terrorism Unit, Md Atiqul 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 and Police Commissioner at Dhaka Metropolitan Police, were present.

Md Aminul Islam, deputy

Zia Uddin, deputy inspector general of HRM, Shueb Reaz Alam, additional DIG of Development Revenue-I, 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 program, and lowered its growth outlook following "devastating" Russian attacks against the country's energy infrastructure.

The much-needed funds will be used for "budget support," and bring

the total amount disbursed under the 48-month loan agreement to around \$7.6 billion, the International Monetary Fund said in a statement announcing the decision.

"Despite the war, macroeconomic and financial stability has been preserved through skillful policymaking by the Ukrainian authorities as well as substantial external support," IMF managing

director Kristalina Georgieva said in the statement.

"The economy remains 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 one-sided" foreign exchange moves on the economy, as the yen declined to 38-year lows past 161 per dollar.


Speaking at a regular press

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


"The government is closely monitoring developments in the foreign exchange market with a high sense of urgency," Suzuki said, adding efforts to continue

forging ahead with fiscal reform is 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 price gains in Tokyo arresting the downward slide in Japan's currency.



**Dhaka South City Corporation**  
Office of the Executive Engineer  
Zone-02, Dhaka



স্বাক্ষরিত  
এক শতকের উদ্ভি  
মহাপ্রকৃতির  
স্বাক্ষরিত

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- egpdsc/z02/cut/kha	Repairing Works of Road Cutting by different organization of Ward No. 6 and 8 under Zone-2 (Group-Kha), DSSC. 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- egpdsc/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 DSSC	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>).

DSSC/PRD/583/2023-2024

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

GD-1056





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.

PHOTO: COLLECTED

# 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.

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 former's borders.

India's West Bengal Forest Development

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 claimant.

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 applicants' side for the huge delay.

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

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.

The DPDT has listed 31 GI products as of April 30, 2024.

## 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 uptick.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), slipped by 0.50 percent from the previous trading session to close at 5,328.40 points.

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 change.

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 yields. 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

FROM PAGE B1

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

For example, essential commodities should be eligible as it directly impacts low-income people, he said.

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

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 living.

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, statutory regulatory orders or government announcements, subsidised rates and tax holidays.

Among those eligible are wages

and salaries, house rent, financial services and spending on religious activities, healthcare and education services.

The food and beverage sector, including agricultural activities, was

the largest beneficiary, receiving VAT exemptions equal to 2.25 percent of the then gross domestic product (GDP).

It was followed by the clothing 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.

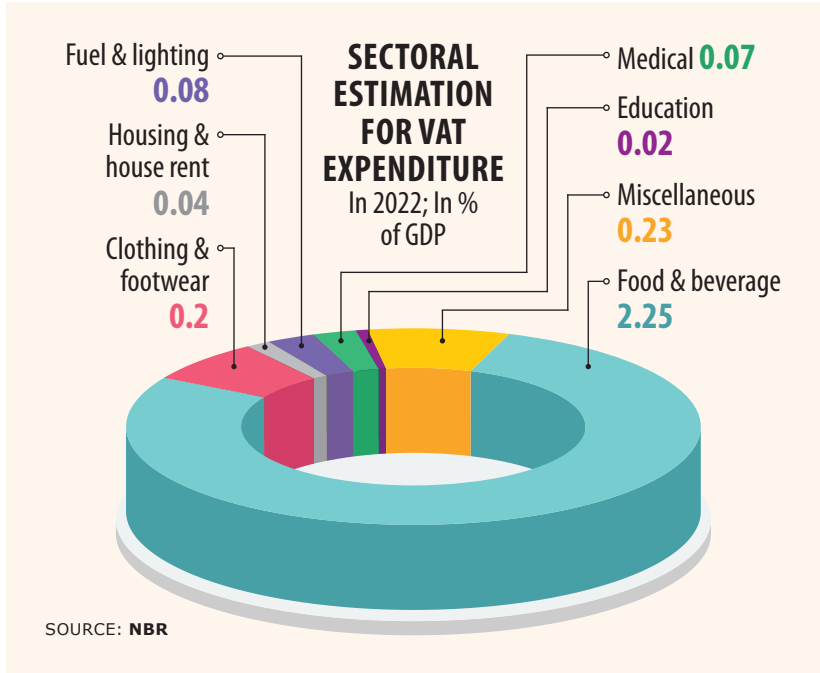
The NBR should also devise a plan on reducing the exemptions as it will enable predictability for consumers as well as producers. "It is also relevant for domestic and global investors," said Khan.

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 redefining eligibility criteria, 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 the report.



## Islami Bank dethrones

FROM PAGE B1

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 Bangladesh 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 of Microsoft's multi-billion-dollar 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".

## Economy in FY25

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Ahead of that, the question on everyone's mind is regarding the kind of policy stance that will be adopted, especially as lower and middle-income people have been bearing the brunt of rising prices.

On a 12-month average between June 2023 and May 2024, the inflation rate stood at 9.73 percent, much higher than the BP'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 said 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

## Linde's profit plunged 40%

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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,

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.

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

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At the meeting, Palak said telecom operators in Bangladesh will be forced to compensate customers for call drops.

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

"Mobile phones and 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

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 promised standards," he added.





# No visible progress in signing Ceta with India

# Jamuna Bank to set up asset management company

# China factory activity contracts for second month

The potential price cuts for August



PHOTO: REUTERS/FILE

# AI set to revolutionise agriculture in Bangladesh

*The author is chief of staff of ShopUp.*

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

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 prices.