Labour unrest caused at least Tk 5,000cr loss: MCCI

STAR BUSINESS REPORT

Labour unrest in several industrial belts after the August regime change might have caused at least Tk 5,000 crore in losses as production and distribution suffered and many factories came under attack, according to the Metropolitan Chamber of Commerce and Industry (MCCI).

"We have come to know that over a hundred factories came under attacks amid unrest and over 200 factories had to shutter," said Secretary General and CEO of MCCI Farooq Ahmed citing the estimate.

He shared the amount at a discussion on the Purchasing Managers' Index (PMI) for Bangladesh yesterday.

MCCI and Policy Exchange Bangladesh supported by Foreign, Commonwealth and Development Office (FCDO), UK organised the event at its office in Gulshan, Dhaka.

Ahmed said no specific survey has been carried out so far to ascertain the amount of losses. The guestimate is made based on the discussion with the top businessmen.

BB gets two new deputy governors

Zakir Hossain

Kabir Ahmed

STAR BUSINESS REPORT

Md Zakir Hossain Chowdhury and Md Kabir Ahmed, executive directors of the Bangladesh Bank, have now been appointed as deputy governors of the country's central bank for a three-year term.

The finance ministry yesterday issued a statutory regulatory order declaring the appointments of the deputy governors on a contractual basis.

With this, the central bank now has a total of four deputy governors.

The posts had remained vacant since Kazi Sayedur Rahman and Khurshid Alam, the preceding deputy governors, stepped down after the Awami League government led by Sheikh Hasina was ousted by a mass uprising on August 5.

Earlier, the interim government formed a three-body search committee led by Mohammad Muslim Chowdhury, former finance secretary and the comptroller and auditor general, to find appropriate candidates for deputy governors of the Bangladesh Bank.

PHOTO: TITU DAS

Ashraf Ali Howlader will get Tk 600 a day working as a farmhand in transplanting saplings of Aman season paddy initially grown in small seedbeds in this larger cropland. Aman cultivation begins in the August-September period and harvests are made in the November-December period. The photo was taken in Mddhya Kurapur village in Barishal sadar upazila recently.

Skilled cosmetics workers to get Tk 14,890 as wage

Recommends minimum monthly wage board

STAR BUSINESS REPORT

The Ministry of Labour and Employment has recommended that the basic monthly wage of a "highly skilled" worker of the soap and cosmetics industry inside divisional cities and city corporations be Tk 8,260.

It has also recommended 50 percent of it as house rent allowance, Tk 1,500 as medical allowance and Tk 1,000 as transport allowance.

This will take the minimum salary to Tk 14,890, said a notification of a Minimum Wages Board of the ministry dated September 2.

In case of those in district towns and remaining areas, the basic wage and medical and transport allowances are the same.

However, Tk 3,304 was recommended as the house rent allowance, for which the minimum wage would stand at Tk 14,064.

In a similar manner, a "skilled worker" in divisional cities and city corporation areas will get a minimum wage of Tk 12,085 whereas in district towns and other areas Tk 11,446.

For "semi-skilled" workers, it is Tk 10,795 and Tk 10,242 and "unskilled" workers Tk 10,000 and Tk 9,500 respectively.

Apprentices will get Tk 7,500 per month for a probationary period of three months and for a possible extended period of another three months if the level of skill cannot be determined.

The board also recommended 50 percent of the amount as house rent allowance, Tk 1,500 as medical allowance and Tk 1,000 as transport allowance

Objections and recommendations have been sought in writing to the chairman of the Minimum Wages Board within 14 days of the gazette's publication.

The board held many meetings with the company owners and workers and did not want to set such a low wage, an official of the board, on condition of anonymity, told The Daily Star yesterday.

LC margin withdrawal to stimulate trade, investment: DCCI

STAR BUSINESS DESK

The Dhaka Chamber of Commerce and Industry (DCCI) has lauded the recent central bank move that lifted margins for letters of credit (LCs) for typical imports, saying this will boost overall industrial output and eventually increase the country's exports.

Besides, the chamber has appreciated the Bangladesh Bank's initiative to form a revolving refinancing scheme for the country's small ventures, which, the chamber said would make funding access easier for small entrepreneurs.

The Bangladesh Bank recently lifted the LC margin on all types of imports except for some luxury items. Importers now can bring in all types of capital equipment, consumer goods and capital raw materials without any margin based on a bank-customer relationship.

"If imports increase, new investment, re-investment, availability of capital equipment and overall industrial production will subsequently increase that would bring a positive result in export growth," said DCCI President Ashraf Ahmed.

Besides, an increased supply of raw materials would result in factories being able to ensure production at their maximum capacity, according to a DCCI press release issued yesterday.

Dhaka chamber believes the supply of products in the market will increase accordingly, positively impacting the overall inflation situation in the country.

The DCCI said that the cottage, micro, small and medium enterprises (CMSME) sector is the main driving force of the country's economy.

About the refinancing fund formation initiative for CMSME, the Dhaka chamber president said it "would play a pivotal role in getting refinancing benefits for the small entrepreneurs".

He said the chamber believes that this fund will be useful for the production growth of both goods and services and for income and employment generation of the CMSME sector.

Under this fund, the interest rate will never exceed 8 percent and in this case, no supervision charge or even early settlement fee can be imposed, which would be a relief for CMSMEs.

"If the CMSME sector is given the special advantage in the development of backward linkage industry and employment generation, its positive impacts will no doubt be reflected in the overall economy," the chamber added.

Oil settles down 2%

REUTERS, *New York*

Oil prices settled 2 percent lower on Friday, with a big weekly loss after data US jobs data was weaker than expected in August, which outweighed price support from a delay to supply increases by Opec+ producers.

Brent crude futures were down $1.63, or 2.24 percent, to $71.06 a barrel, their lowest level since Dec. 2021. US West Texas Intermediate crude futures fell $1.48, or 2.14 percent, to$67.67, their lowest since June 2023.

For the week, Brent declined 10 percent, while WTI dropped around 8 percent.

Shoemaker to invest $7.45m in Bepza EZ

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Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, thanked YiXin Bangladesh for investing in Bangladesh, especially in the Bepza Economic Zone.

Rahman urged the investors to start the construction of the factory as soon as possible.

A total of 32 companies, including YiXin Bangladesh, have so far signed agreements to invest in the Bepza Economic Zone, totalling the proposed investment at $718.46 million.

Among others, Mohammad Faruque Alam, member (engineering), ANM Foyzul Haque, member (finance), ASM Zamshed Khondaker, executive director (admin), Md Tanvir Hossain, executive director (investment promotion), and Mohammad Anamul Haque, project director of Bepza Economic Zone, were also present.

NBR to open e-tax filing portal today

FROM PAGE B1

been showing increasing interest in filing their income tax returns online since the launch of the e-filing system in 2021.

Some 5.26 lakh taxpayers filed returns online in the year 2023-24, which was more than double the 2.44 lakh e-returns filed the year prior, according to NBR data.

During the year 2021-22, the NBR received 61,491 tax returns online.

Bangladesh has more than 1 crore registered taxpayers, but 59 percent did not submit their income tax returns in the year 2023-24.

The NBR said individual taxpayers will be able to register online and furnish returns for tax year 2024-25 from today.

Taskforce for banking sector to start work

FROM PAGE B1

the guarantor of those banks," he added.

Regarding loans for small-and-medium enterprises (SMEs), Mansur said there has been stagnation in loan distribution in this segment.

The Bangladesh Bank has Tk 25,000 crores meant for disbursal among SMEs.

"But this money has not been disbursed due to some systematic problems. A flexible policy is needed to disburse the loans. We will try to ensure that small entrepreneurs get the funds," he added.

Regarding allegations of account freezing, the governor said the central bank did not ask anyone, even the Bangladesh Financial Intelligence Unit, to freeze the bank accounts of any individual or organisation.

"Even if someone commits irregularities, his institutional account will be kept open so that their business can run normally. Some people are carrying out a negative campaign in this regard," he said.

US warns of growing risks of business in Hong Kong

AFP, *Washington*

The United States on Friday warned of growing risks for businesses operating in Hong Kong, saying that routine activities could run afoul of the financial hub's new national security regulations.

China had agreed to a "One Country, Two Systems" approach for Hong Kong before the territory was handed over from Britain in 1997.

But Beijing has clamped down since mass protests in 2019, with Hong Kong's opposition-free legislature in March passing an ordinance that carries life imprisonment for crimes including treason and insurrection.

Updating a business advisory first issued in 2021, the State Department and other US agencies warned of "new and heightened risks" for firms operating in Hong Kong.

"The vaguely defined nature of the law and previous government statements and actions raise questions about risks associated with routine activities," it said of the new Article 23 law.

Such routine activities could include research on government policies and maintaining connections with local officials, journalists and non-governmental organizations, it said.

The advisory also said differences were narrowing between Hong Kong and mainland China.

"Under similar laws to those recently enacted in Hong Kong, PRC authorities in mainland China appear to have broad discretion to deem a wide range of documents, data, statistics or materials to be state secrets and to detain and prosecute foreign nationals for alleged espionage," it said, using the acronym for China's official name.

More than 300 people have been arrested under an initial 2020 security law. According to the State Department, they include one US citizen.

Hong Kong's number two official Eric Chan said Saturday the US advisory was an attempt to suppress China's rise and that national security cases are treated fairly in court.

"The National Security Law has been enacted for a long time and we can all see that we have never groundlessly arrested any business people," Chan told reporters.

Construction workers are building residential houses and homes at a Homes by Strata building site in Leeds, northern England. The British economy needs an extra 30 billion pounds in housing annually. PHOTO: AFP/FILE

Britain needs extra $1.3tr investment for economic growth: report

REUTERS, *London*

Britain needs an additional one trillion pounds ($1.3 trillion) in investment in the next decade to grow the economy, a report said on Friday.

New British Prime Minister Keir Starmer said he wanted the economy to achieve annual growth of 2.5 percent when campaigning in the run-up to July 4's election - a rate that Britain has not regularly reached since before the 2008 financial crisis.

An annual growth rate of 3 percent would require extra investment of 100 billion pounds a year in the next 10 years, particularly in energy, housing and venture capital, according to the report from UK financial services lobby group Capital Markets Industry Taskforce.

The investment could come out of the six trillion pounds in long-term capital in Britain's pensions and insurance sector, the report's lead author Nigel Wilson, former boss of Legal & General, told Reuters.

"We've underinvested in the UK for such a long time, there's a massive gap between the other G7 countries and ourselves," he said.

"We have the long-term capital in the UK, it needs to be reallocated."

The British economy needs an extra 50 billion pounds annually in energy investment, as it seeks to meet net zero targets, 30 billion pounds in housing and 20-30 billion in venture capital, the report said.

The government should look at incentives to investment, such as reductions in taxes on shares for retail investors, the report added.

UK pensions have a "significantly lower" allocation to domestic and unlisted equities than most developed market pension systems globally, according to a separate report published on Friday by think tank New Financial.

UK pensions could as much as double their allocations and still be in line with the pensions industry in other advanced markets, the report said.

The UK government has called for a review of Britain's pension system, as it seeks to increase UK pensions investment in domestic startups.

"UK pension schemes could play a greater role in UK capital markets than they currently do," UK pensions minister Emma Reynolds told a CMIT conference.