

# Star BUSINESS



## NBR doubles tax to 20% for refrigerator, AC and bike makers

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has doubled the corporate income tax rate to 20 percent for manufacturers of freezers, refrigerators, motorcycles, air conditioners (ACs), and compressors, starting from the fiscal year 2025-26.

In a notification issued yesterday, the tax authority said that producers of these electronic appliances and two-wheelers will have to pay the revised tax rate until June 30, 2032.

"We have been advised by the high-ups to hike the rate," said a senior revenue official preferring anonymity.

This comes following the recent move to hike value-added tax (VAT) on 43 items and services as the government looks to bolster revenue collection and enhance fiscal space, and also to fulfil conditions of the International Monetary Fund (IMF).

**The tax authority said that producers of these appliances and two-wheelers will have to pay the revised tax rate until June 30, 2032**

Aiming to encourage domestic manufacturing to build capacities and create jobs, the revenue board began offering tax privileges to freezer, refrigerator, and motorcycle manufacturers in July 2009, initially setting the corporate tax rate at 5 percent for 12 years.

The concession was extended later. However, the NBR increased the tax rate to 10 percent from fiscal year 2020-21, with air conditioners added to the list of eligible products.

Md Nurul Afser, deputy managing director of Electro Mart Group, said the taxes could have been hiked gradually and based on a slab.

"As the overall business suffers from an economic slowdown, it will be a pressure for us if taxes and VAT are hiked simultaneously," he said.

The latest decision comes as the government seeks to bolster revenue collection, enhance fiscal capacity, and reduce reliance on borrowing from both domestic and foreign sources to finance expenditures.

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## Listed firms' profit drops 24% amid economic slowdown, political turmoil

AHSAN HABIB

Listed companies across all sectors saw their profits fall by around 24 percent on an average year-on-year during the last January-September period, due mainly to an economic slowdown and widespread political turmoil, according to an unofficial estimate.

Shanta Securities, a leading brokerage firm, calculated this figure based on data published by the listed companies.

In its report titled "Bangladesh Finds its Lighthouse Amid Reform Hopes," Shanta Securities said the paper and printing, and ceramic sectors were the worst victims, with their earnings declining by over 149 percent in the first three quarters of 2024.

Profits in the textile and tannery sectors declined by over 70 percent, while the fuel and power sector saw a 62 percent profit erosion.

The engineering sector experienced a 42 percent profit decline, and the banking sector's profits fell by 17 percent.

Apart from the economic slowdown and political turmoil, the report cited higher interest rates on bank loans and a surge in raw material prices as key contributors to increased business costs.

Besides, low export orders in the textile

### REASONS BEHIND PROFIT DROP

- » Slowdown in economic activities
- » High interest rate
- » Surge in raw material prices
- » Disruption in supply chain in Jul-Aug
- » Low work orders in textile sector
- » Higher provisioning in banks

### MAJOR CHALLENGES IN 2025

- » Political instability
- » Banking sector instability
- » Elevated inflation
- » High interest rate
- » Exchange rate volatility

### PROFIT GROWTH OF LISTED FIRMS IN SEVERAL SECTORS

In %; Jan-Sept of 2024  
SOURCE: SHANTA SECURITIES



sector and higher provisioning in the banking sector were identified as factors contributing to lower earnings.

After mid-July, overall business activities came to a grinding halt as the quota reform movement spread throughout the country, according to the report.

This situation further deteriorated with deadly crackdowns by law enforcement agencies and army deployment, curfews and the ouster of the government eventually through a mass uprising in the first week

of August.

Subsequently, the interim government assumed office. Regarding the political changeover, the report said, "Things started to improve slowly after the new government took over."

However, the report cautioned that "business activities are yet to reach pre-July 2024 levels due to a cautious stance among businesspeople".

### REGAINING ECONOMIC MOMENTUM MAIN CHALLENGE

Domestically, the report identified the containment of inflation, meeting government revenue target and maintaining

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## Monetary policy likely in last week of January

STAR BUSINESS REPORT

Bangladesh Bank will soon announce its monetary policy for the second half of the ongoing fiscal year (2024-25) with the aim of addressing several economic challenges plaguing the country.

Sources at the central bank confirmed that the next monetary policy is being formulated, and that Governor Ahsan H Mansur will likely declare it by the last week of January.

**As part of its efforts, the central bank has invited all interested individuals and institutions to send their suggestions and feedback**

This will be the first monetary policy announced by Mansur since he became governor of Bangladesh Bank following the political changeover on August 5.

As part of its efforts, the central bank has invited all interested individuals and institutions to send their suggestions, opinions, and feedback regarding potential policy measures by January 15.

Additionally, the monetary policy department of Bangladesh Bank will hold meetings with internal and external stakeholders as well as economists from January 12.

But beforehand, the monetary policy department will hold a meeting with its executive directors and other senior officials at the central bank headquarters that same day to take their suggestions.

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Local refiners have proposed reviewing soybean and palm oil prices just a month after the government substantially raised the rates. PHOTO: STAR/FILE

## Soybean oil prices rising again

SUKANTA HALDER

Edible oil prices have been rising over the past week in the local market, as grocers say they are not getting enough supplies from the cooking oil companies.

Amid the supply shortage in the retail market, soybean and palm oil refiners have proposed the authorities review the prices, which were raised just a month ago.

To be specific about the latest price rise, the price of a one-litre bottle of soybean oil has increased by 1.46 percent, according to the state-run Trading Corporation of Bangladesh (TCB) under the commerce ministry.

In the case of a one-litre bottle of palm oil, the price has increased by 0.31 percent.

In other words, bottled soybean oil was sold for Tk 173 to Tk 175 per litre yesterday – up from Tk 168 to Tk 173 a week ago.

As for palm oil, each litre was sold for Tk 162. It was Tk 159 a week ago.

On January 6, the Bangladesh Vegetable Oil Refiners' and Vanaspati Manufacturers' Association requested the commerce ministry to adjust prices of soybean and palm oil in tune with the global market.

The association also mentioned that they submitted the proposal as per a decision of its meeting with the

Ministry of Commerce last month.

After analysing the prices of crude soybean and palm oil in the global market, it is necessary to adjust the prices in the domestic market, it said in the letter.

The price adjustment is necessary to ensure a normal supply of the key item during the upcoming holy month of Ramadan, it mentioned in the letter.

**After analysing the prices of crude soybean and palm oil in the global market, it is necessary to adjust the prices in the domestic market, according to refiners**

As per the decision of the last meeting, the price adjustment is scheduled to take place on January 10.

The government on December 9 raised the retail prices of soybean and palm oil by Tk 8 per litre. The price of bottled soybean oil was set at Tk 175, and loose soybean oil and palm oil at Tk 157.

The new rates came into immediate effect and, according to decisions taken at a meeting between ministry officials and industry leaders, the prices would be readjusted every month.

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The EBL Climate Change Action Awards 2025, initiated in partnership with the US, German, French, and Danish embassies, aims to recognize and celebrate outstanding contributions towards tackling the most pressing challenges of climate change and promoting sustainability in Bangladesh. The awards will honor individuals, businesses, and organizations excelling in five different categories, thereby fostering innovation and leadership in addressing climate challenges.

Log on to our website [www.ebl.com.bd](http://www.ebl.com.bd) for detailed submission guidelines.

Any queries related to submission, please contact us at [submission@ebl-bd.com](mailto:submission@ebl-bd.com) or 09666777325

Submission closing: January 31, 2025

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Memo No- 46.02.2672.000.14.001.24/10

Date: 05-01-2025

**e-Tender Notice- 01/2024-2025 (UDF)**

e-Tender is invited in the National e-GP System portal (LTM) (<http://www.eprocure.gov.bd>) of the procurement of following Scheme listed below:

Sl No.	Tender ID	Name of Scheme	Last Selling Date & Time	Closing Date & Time	Opening Date & Time
01	1058158	Improvement of Kolma 2-Storeyed Masjid - Mirbari Chourasta more by Pipe Drain & RCC road at (Ch. 00-205.00m) Under Savar Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/SAVAR UP/01	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
02	1058159	Construction of Pipe Drain on 1 no kolma H/O Kalokha at (Ch.00-850m) Under Savar Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/SAVAR UP/02	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
03	1055260	Improvement work of M A Halim road (Taltola to CRP) with Drains by RCC Under Savar Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/SAVAR UP/03	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
04	1058161	Road Widening work from Savar Jirabo to Morning Glory Box Culvert by HBB Under Savar Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/SAVAR UP/04	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
05	1058162	Improvement of Savar Unon 3 no word Chapain (Anonda Dhara) - H/O Sujon SArdar Via Abul Kalam road by Pipe Drain & RCC road at (Ch. 00-600m) Under Savar Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/SAVAR UP/05	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
06	1058163	Improvement of Dewgaon Purbapara Jame Masjid - Kolom Factory road by Pipe Drain & RCC road at (Ch. 00-500m) Under Savar Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/SAVAR UP/06	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
07	1058164	Improvement of Dewgaon Paschimpara Razashon road - H/O Anowar road by RCC road & Pipe Drain at (Ch. 00-252m) Under Savar Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/SAVAR UP/07	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
08	1058165	Improvement work of Komolapur Bazar to Khamar road Via H/O Inal road by Uni-Block Paver from (Ch. 00-1335m) Under Savar Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/SAVAR UP/08	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
09	1058166	Improvement of Uttor Kolma H/O Dudu Bapari - 2 no Kolma Main road via Land of Bareque by RCC road & Pipe Drain at (Ch. 00-500m) Under Savar Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/SAVAR UP/09	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
10	1058444	Improvement of Vaowalipara 4 road more to Kalinagar Foot Bridge road by RCC Under Tetuljhora Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/TETULJHORA UP/01	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
11	1058445	Improvement of Purbohata Hasem House - Madrasa - Shampur Golapkhali Pukurpar road by RCC Under Tetuljhora Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/TETULJHORA UP/02	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
12	1058446	Improvement of Tetuljhora UP Police Polli Jame Mosque to Khatrapara (Proposed Mosque) Plot road by HBB Under Tetuljhora Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/TETULJHORA UP/03	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
13	1058447	Construction of Rajaghat Govt. Primary School to Dhaka-Aricha RHD Road & Brick Drain by RCC Under Tetuljhora Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/TETULJHORA UP/04	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
14	1058448	Improvement of Tenary 2 no Gate Momotaj Market (Showpon Gudam) to Jhaowchar BC road by RCC Under Tetuljhora Union, Savar, Dhaka. (Salvage Material- 230351/-) e-Tender/DHA/SAVA/UDF/2024-25/TETULJHORA UP/05	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
15	1058450	Improvement of Jadurchar 4 road more to Hemayetput Mofiz Hazi House road by RCC Under Tetuljhora Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/TETULJHORA UP/06	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs

16	1058451	Improvement of Tenary 1 no Gate (Cartoon Factory) More to Sha Alom Member House road by RCC Under Tetuljhora Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/TETULJHORA UP/07	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
17	1058453	Improvement of Hemayetpur Govt. Primary School to Husania Madrasa (Eng. Yousuf) House road by RCC Under Tetuljhora Union, Savar, Dhaka. (Salvage Material- 1256819/-) e-Tender/DHA/SAVA/UDF/2024-25/TETULJHORA UP/08	22/01/2025 16.00 hrs	23/01/2025 13.00 hrs	23/01/2025 13.00 hrs
18	1058454	Improvement work of 3 no Word Bhabanipur Masjid Market - Kumron Land of Abdul Ali road at (Ch.00-1000m) by HBB Under Birulia Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/BIRULIA UP/01	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
19	1058455	Rehabilitation of Birulia - Akran RHD - Kakabu road at (Ch.00-1100m) by Uni-Block Under Birulia Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/BIRULIA UP/02	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
20	1058456	Development work of road from Birulia RHD - Samair Jirani Bari by HBB Under Birulia Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/BIRULIA UP/03	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
21	1058457	Improvement of Vakurta Noakhali Mosque to Hindu Vakurta Rajeshori House road by RCC Under Vakurta Union, Savar, Dhaka. (Salvage Material- 252543/-) e-Tender/DHA/SAVA/UDF/2024-25/VAKURTA UP/01	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
22	1058458	Improvement of Mograkanda Main road to Abed Mannaf Jame Mosque road by RCC Under Vakurta Union, Savar, Dhaka. (Salvage Material- 291826/-) e-Tender/DHA/SAVA/UDF/2024-25/VAKURTA UP/02	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
23	1058459	Improvement of Bilamalia Mouzer Mograkanda Uttarpara (Montu Hazi House) to Rony Bricks Field via Moriom Mosque road by RCC Under Vakurta Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/VAKURTA UP/03	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
24	1058460	Improvement work of Vakurta UP Hindu Vakurta (Cartoon Factory) to West Muslimpara (Curvert) road by RCC Under Vakurta Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/VAKURTA UP/04	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
25	1058461	Improvement work of Shamlasi Baherchor Baburghat BC road to Baitul Abed Jame Mosque road by RCC Under Vakurta Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/VAKURTA UP/05	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
26	1058462	Improvement work of Vakurta Shamlashi Kolatiapara GPS to Poncharchat road by RCC Under Vakurta Union, Savar, Dhaka. (Salvage Material- 910218/-) e-Tender/DHA/SAVA/UDF/2024-25/VAKURTA UP/06	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
27	1058463	Construction of RCC road from Baliyarpur Nayer Char H/O Lalmia - H/O Jalal mia Under Bongaon Union, Savar, Dhaka. (Salvage Material- 27082/-) e-Tender/DHA/SAVA/UDF/2024-25/BONGAON UP/01	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
28	1058464	Improvement work of Bongaon UP Sadapur Puranbari road at (Ch. 00-560m) by HBB Under Bongaon Union, Savar, Dhaka. e-Tender/DHA/SAVA/UDF/2024-25/BONGAON UP/02	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
29	1058465	Construction of RCC road from Konda Eidgah - Namapara via Dargapara road at (Ch.00-200m) with Palisading & Earth filling Work, Under Bongaon Union, Savar, Dhaka. (Salvage Material- 77625/-) e-Tender/DHA/SAVA/UDF/2024-25/BONGAON UP/03	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs
30	1058466	Construction of CC road from Konda Dargapara H/O Halim to New Masjid road at (Ch.00-160m) Under Bongaon Union, Savar, Dhaka. (Salvage Material- 64124/-) e-Tender/DHA/SAVA/UDF/2024-25/BONGAON UP/04	22/01/2025 16.00 hrs	23/01/2025 14.00 hrs	23/01/2025 14.00 hrs

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## Gold prices edge higher

REUTERS

Gold prices edged higher on Wednesday due to the risks stemming from the tariff plans proposed by President-elect Donald Trump, with investors waiting for US economic data for guidance on the U.S. Federal Reserve's interest rate stance in 2025.

Spot gold gained 0.2 percent to \$2,653.35 per ounce, as of 0928 GMT. US gold futures rose 0.1 percent to \$2,667.20.

The risk of a Trump trade war, sticky inflation and worries about fiscal stability as US Treasury yields rise will be current and future themes that are potentially risk strengthening, which will be gold supportive, said Ole Hansen, head of commodity strategy at Saxo Bank.

Trump will be sworn in as president of the United States on Jan. 20. His proposed tariffs and protectionist trade policies are expected to be inflationary and could spark



Nityananda cycles around 15 kilometres early in the morning every day to Khulna city to sell fish, such as tilapia and spotted snakehead (taki), which he collects from fishermen in different surrounding villages. The photo was taken in Bil Pabla area on Khulna City Bypass Road recently.

PHOTO: HABIBUR RAHMAN



trade wars, adding to gold's allure as a safe-haven asset.

Gold is also used as a hedge against inflation, although higher interest rates reduce the appeal of holding non-yielding bullion.

The market awaits ADP employment numbers and the minutes from the Fed's December meeting, both due later in the day, along with US nonfarm payrolls report due on Friday, which could provide more insight into the Fed's policy direction.

Data on Tuesday showed US job openings increased in November, while hiring softened, implying a slower labor market that might not need Fed to be in a rush to cut rates.

SOHRAB HOSSAIN, Patuakhali

The Payra 1,320MW Thermal Power Plant in Kalapara upazila of Patuakhali has resumed full production following a roughly two-month halt for maintenance works on its second unit and test runs of a neighbouring facility.

Upon completing maintenance works, which began on November 9 last year, the authorities began generating electricity from the second unit of the coal-fired power plant at around 9:30pm on Tuesday.

Now, the plant is supplying its full 1,320-megawatt (MW) capacity to the national grid, according to Shah Moni Jico, assistant manager of the Payra plant.

Meanwhile, the first unit of a neighbouring facility with an identical power generation capacity run by RPCL-NORINCO International Power Limited (RNPL) has been undergoing experimental production since mid-January this year.

As such, the first unit of the Payra plant had also been shut down for a week starting December 16.

The second unit of the new plant, which is located just two kilometres north of the Payra plant, is scheduled to begin production this June.

And with its first unit almost commissioned, the facility will have a total power generation capacity of 1,320MW in full production, thereby meeting 10 percent of the country's demand.

Construction of the RNPL Thermal Power Plant in Londa village under Kalapara began in 2019. However, the facility was unable to commence production as planned last year for various challenges.

The commissioning of its first unit, which has a power generation capacity of 660MW, will likely be complete within the second week of January, said Mohammad Ashraf Uddin, superintendent engineer of the plant.

He informed that all construction works,

including that of the power transmission line and coal transport jetty, are now complete.

The first unit is undergoing trial production, with commercial production expected to begin in March.

Shawkat Osman, executive engineer (mechanical) of the RNPL power plant, said 1.25 lakh tonnes of coal have been stored at the facility to ensure its uninterrupted production once fully operational.

He added that another 1.65 lakh tonnes of coal is expected to arrive this month.

Osman further said that the cost of each unit of electricity generated by the plant is estimated at Tk 9.

Yang Ling, commercial manager of the RNPL power plant, assured that the facility was built in compliance with global standards.

"It will use the latest ultra-supercritical technology and is designed to operate without causing harm to the environment," he said.

# Payra thermal power plant resumes full production

### Test runs of neighbouring facility nearly complete

## Listed firms' profit drops

FROM PAGE B1

banking sector stability as the key challenges.

It said the country has been facing high inflation, due mainly to the depreciation of the taka and the influence of business syndicates in the local supply chain for essential goods.

Despite five policy rate increases in 2024 by the Bangladesh Bank to 10 percent, inflation remained stubbornly high.

Concurrently, interest rates on bank loans surged, negatively impacting the business environment.

Moreover, the banking sector faces the looming threat of a surge in non-performing loans, which had already reached 16.9 percent by the end of September 2024.

Some banks have already defaulted on depositor payments.

The report said a failure to effectively resolve this issue could have severe consequences for overall economic activity.

Amid the uncertainty surrounding political stability, the report said regaining economic momentum and ensuring a stable business environment would be the main challenge in 2025.

The brokerage firm said the business environment would be greatly influenced by political and banking stability, price pressures, and interest and exchange rate fluctuations.

Geopolitical instability also posed a major concern, given the uncertain stance of the US regarding the Russia-Ukraine war, the Myanmar conflict and other global events.

The report said, "This political stability will be the most important factor for business in 2025."

### MARKET TURNAROUND EXPECTED IN MID-2025

The report said the bearish market trend continued throughout 2024, with trading activity mainly concentrated on speculative small and medium-cap stocks amid a high-interest-rate environment.

After the political changeover in August 2024, large-cap stocks saw a brief one-month rally as investor

expectations and confidence improved.

However, this rally proved unsustainable, losing momentum amid economic uncertainty and concerns regarding policy continuity.

Besides, regulatory and economic reforms in the final quarter of 2024 also impacted the overall stock market movement.

"We expect a turnaround in market momentum in 2025, especially during the second half of the year when inflation normalises, and interest rates begin to decline," predicted the report.

Mohammad Lutfor Rahman, a professor of economics department at Jahangirnagar University, said the profit drop due to political instability was not surprising as business was almost suspended for 40 days.

Apart from this, fluctuation of foreign exchange rates, higher finance costs for growing interest rates, and higher operating costs for costlier energy also impacted businesses, he said.

Due to the dearth of energy supply, many firms were not able to produce as per their capacity, especially the textile sector, which suffers the most from low gas pressure.

Rahman is optimistic about global economic turnaround through the de-escalation of the war between Ukraine and Russia, and timid oil prices.

However, frequent movement and political instability is a big challenge for the country to reap the benefits of world economic recovery, he added.

## Soybean oil prices rising again

FROM PAGE B1

The decision to raise the prices came amid a supply crunch. Millers said they reduced imports as costs had gone up despite tax cuts.

The government had earlier reduced the value-added tax (VAT) on the import of soybean and palm oil twice since October 17, finally taking it to 5 percent from 15 percent.

Mohammad Bablu, a retailer in Karwan Bazar, one of the largest kitchen markets in Dhaka, said the supply of edible oil in the kitchen

## Monetary policy likely

FROM PAGE B1

The department will then hold a discussion with the country's leading research organisations on January 14 on potential policy measures.

The organisations include the Bangladesh Institute of Development Studies, Policy Research Institute of Bangladesh and South Asian Network on Economic Modelling.

The Institute for Inclusive Finance and Development, Centre for Policy Dialogue, Research and Policy Integration for Development, reputed economists, bankers, businesspeople, and journalists will also attend the event at Lakeshore Hotel in Gulshan, Dhaka.

The central bank committee forming the monetary policy will ultimately summarise the observations from various quarters regarding its goals and format, including measures for regulating

## NBR doubles tax to 20%

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This also aligns with conditions set by the IMF as part of its ongoing \$4.7 billion loan programme for Bangladesh.

The IMF has long been pushing for reforms to Bangladesh's tax system, including rationalising exemptions, improving compliance, and separating tax policy from administration.

Bangladesh has one of the lowest tax-to-GDP ratios globally, with widespread tax benefits contributing to frequent collection shortfalls.

market increased slightly after the government increased the prices.

But the supply has since worsened, he said. He explained that his shop has a daily demand for 400 litres of bottled soybean oil, but he was getting about 250 to 300 litres from refiners.

Bablu informed that one of the country's top edible oil brands meets 70 percent of his shop's demand, while all the others have fallen behind.

Md Shafiqul Ather Taslim, director for finance and operations at TK Group, a leading importer and

currency and lending rates, before finalising it on January 20.

Then on January 22, the board of directors of Bangladesh Bank will approve the policy and set a date for announcing it to the public.

Inflation in Bangladesh has been hovering above 9 percent since March 2023, with the central bank's existing contractionary monetary policy yet to cool consumer prices.

Bangladesh Bank has hiked the policy rate several times to 10 percent since then. The policy rate is the interest rate at which commercial banks borrow from the central bank.

But in December of the just concluded calendar year, inflation had eased slightly to 10.89 percent from 11.38 percent the previous month, according to the Bangladesh Bureau of Statistics (BBS).

READ FULL STORY ONLINE

In the July-November period of FY25, income tax receipts fell by 0.94 percent year-on-year to Tk 40,293 crore. In FY25, the government provided Tk 1.63 lakh crore in tax benefits, also known as tax expenditures.

In a latest report on direct tax expenditure, the revenue board said the direct tax expenditure, a tax subsidy that includes rebates, exemptions, and reduced rates offered by the NBR, fell 8 percent year-on-year to Tk 1.15 lakh crore in fiscal year 2021-22.

commodity processor marketing the Pushi brand, told The Daily Star, "We approached the government for price adjustments."

"The government will analyse our import costs before increasing or decreasing the price," he said.

"The government will collect the information from Bangladesh Bank and Bangladesh Customs," he said.

Bangladesh meets more than 90 percent of its edible oil requirement through imports, as per commerce ministry data.

## Garment tech, accessories shows open in Dhaka

STAR BUSINESS REPORT

The 22nd edition of Garment Technology Bangladesh 2025 began at International Convention City, Bashundhara, Dhaka yesterday concurrently with the 14th edition of the Garment Accessories & Packaging Expo (GAP Expo) 2025.

Some 500 exhibitors from 25 countries are participating in this fair, which is being jointly organised by ASK Tradeshows & Exhibitions Pvt Ltd, and Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA).

Commerce Adviser Sk Bashir Uddin inaugurated the event and PARK Young Sik, South Korean ambassador to Bangladesh, graced the occasion as a special guest.

These exhibitions offer opportunities to view a wide range of ancillary products, including cutting, sewing, finishing and embroidery machinery, and retail items for the garment sector.

On the other hand, leading members of the BGAPMEA showcase their latest innovations in garment accessories and packaging at the exhibition, according to a statement.

Bashir Uddin said such exhibitions were crucial for advancing Bangladesh's readymade garment sector, and it was important to reduce dependency on fossil fuels and focus on promoting renewable energy. Sik said Bangladesh was globally recognised as a key hub for the garment industry, thanks to its strong manufacturing capabilities and rich ecosystem.

South Korea has consistently invested in Bangladesh and is committed to continuing this partnership in the future, he said.

Recognising the immense potential in Bangladesh's garment industry, South Korea is eager to collaborate further to help realise this potential, he said.

BGAPMEA President Md Shahriar also spoke at the event. Despite political instability and labour unrest, the garment sector achieved a 6.23 percent growth in export earnings in 2024, said a press release of the BGAPMEA.

STOCKS	
DSEX ▼	CASPI ▼
0.11%	0.15%
5,185.00	14,480.31

  

COMMODITIES	
Gold ▲	Oil ▲
\$2,653.9	\$75.05
(per ounce)	(per barrel)

  

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.03%	▼ 0.26%	▲ 1.54%	▲ 0.01%
78,175.15	39,981.06	3,886.98	3,230.17

## Telecom stakeholders

FROM PAGE B4

Bangladesh Mobile Phone Consumers' Association President Mohiuddin Ahmed views the NBR's actions as a reflection of a troubling authoritarian approach.

"Such reckless decisions bear the hallmarks of a bygone fascist regime. With 48 percent of the population still without internet access, this excessive taxation will only exacerbate the digital divide," he said.

Unless the government abandons this irrational and oppressive policy, citizens and consumer groups will have no choice but to take to the streets, Ahmed added.

"It is really unfortunate to see that the taxation regime for the telecom sector continues to defy rational thinking," Robi Chief Corporate and Regulatory Officer Shahed Alam said.

While there are sustained calls for price reductions, the prospect of additional tax burdens on consumers sends a contradictory and confusing message, he said.

"Time and again, we have seen that increasing consumer tax burdens in the telecom sector leads to reduced spending by mobile phone users. This, in turn, negatively impacts the financial

health of mobile phone operators and decreases government revenue."

While mobile operators face financial struggles, expectations regarding service quality continue to rise, he said.

"How can operators invest in next-generation networks if we are being systematically weakened by a taxation regime that clearly lacks purpose and direction?" he questioned.

## Modi looks

FROM PAGE B4

If China remains the main target of Trump's tariffs, that could present an opportunity for India to boost its trade profile, although it would also need to let the rupee fall further to make its exports more competitive, economists said.

The rupee has hit multiple lows in the past few weeks and 2024 was its seventh consecutive year of decline, mostly due to a surging dollar. On Wednesday, it hit a fresh all-time low.

India needs to "seriously implement tariff rationalisation to help embed itself more deeply into global value chains," Kathuria, also an Adjunct Professor at Georgetown University, said.

## Don't transplant Boro

FROM PAGE B4

The dry-season Boro, which accounts for roughly 55 percent of total annual rice production, is cultivated between December and January and harvested mainly in May.

In its advisory, the Bangladesh Agro-Meteorological Information Service (BAMIS), a project under the DAE, suggested that farmers use transparent polythene to cover the seedlings for protection from fog if sunlight is visible during the day.

Besides, water should be removed from the fields every morning during the cold spell. BAMIS advises using tube well water in a way that keeps the seedlings above the water level.

The DAE said that seedlings

may suffer from blight diseases -- a bacterial disease that can severely damage crops.

It suggests using fungicide and spraying to control the disease.

The agency said that unfavourable weather may also cause pest attacks on potatoes, one of the most widely consumed vegetables, and mustard, the main oilseed crop in Bangladesh.

In its weather forecast yesterday, the Bangladesh Meteorological Department said that weather across the country is likely to remain mainly dry with temporary partly cloudy skies.

It said that moderate to dense fog may occur across the country from midnight to morning and may continue until tomorrow.

# Telecom stakeholders outraged by proposed tax hike

MAHMUDUL HASAN

The government's move to raise the supplementary duty (SD) on mobile talk time and internet services has sparked outrage among mobile operators, consumers and digital service providers.

The National Board of Revenue (NBR) is all set to increase the SD from 20 percent to 23 percent, just six months after increasing it from 15 percent to 20 percent, which experts view as a constraint for the industry.

Currently, customers pay Tk 138 for Tk 100 worth of mobile voice or internet services, factoring in 15 percent VAT, 20 percent SD, and a 1 percent surcharge.

When additional taxes, such as revenue sharing and minimum taxes, are included, the total tax burden surpasses 54 percent, one of the highest in the world, according to industry experts.

If implemented, the proposed hike will raise this figure to around 56.3 percent, further straining consumers and the industry.

Leading stakeholders of the telecom industry have criticised the 3 percentage-point supplementary duty hike.

The secretary general of the Association of Mobile Telecom Operators of Bangladesh, Lt Col Mohammad Zulfikar (ret'd), believes that further tax increases, amid the country's ongoing economic challenges, will undoubtedly harm both the mobile industry and its subscribers.

"The sector is already burdened with heavy taxes and duties. In recent months, nearly six million subscribers have left the network, signalling the sector's declining growth. This decision could severely impact the government's revenue generation from the sector."

"We urge the authorities to reconsider the consequences and avoid imposing such burdens."

Bdjobs CEO Fahim Mashroor said that mobile phone users in Bangladesh already face the highest tax burden among all Asian countries.

The additional 3 percentage-point hike in tax will further escalate data costs for 90 percent of the country's internet users,



The increased supplementary duty would raise talk time expenses, further reducing affordability for customers already struggling with inflation, according to mobile network operators.

PHOTO: STAR/FILE

potentially tarnishing the government's pro-youth image, he said.

"At the recent D8 Summit, the chief adviser highlighted the transformative role of the internet and AI in education and healthcare. But certain bureaucrats within the NBR seem disconnected from this progressive vision."

The rising internet prices may provoke discontent among Generation Z, who have previously used the internet to challenge restrictive governance, he added.

"This decision risks alienating a key demographic and fuelling further unrest."

Pathao CEO Fahim Ahmed said the decision to raise supplementary duty on mobile top-ups is short-sighted.

Bangladesh already has the highest telecom taxes in the region, which limits internet adoption, he said.

"As the largest consumer tech platform in the country, we have observed how high costs constrain our market potential to just a fraction of what it could be."

The decision made by the interim government, which was expected to introduce reforms after taking charge six months ago, is taking us in the opposite direction, he said.

"We urgently call for its reversal."

Banglalink Chief Corporate and Regulatory Affairs Officer Taimur Rahman opined that the increased supplementary duty would raise talk time expenses, further

reducing affordability for customers already struggling with inflation.

Telecom services have been instrumental in driving the country's economic growth and fostering digital inclusion, he said.

"The supplementary duty was increased just a few months ago, creating challenges for both the industry and its users. This move risks widening the digital divide, hindering sector growth, and reducing government revenue."

"We strongly urge the government to reconsider this decision to ensure sustained economic progress and the advancement of digital inclusion," he said.

READ MORE ON B3

# Temporary hoarding leads to rice price instability

Says Bashir

STAR BUSINESS REPORT

Hoarding by rice traders has led to price fluctuations in the local market, but stability is expected to be reached soon as the government has intensified its monitoring, said Commerce Adviser Sk Bashir Uddin yesterday.

He made the remarks during the inauguration of the sale of essential commodities at subsidised prices among low-income people through smart cards at Begunbari in Dhaka's Tejgaon area.

The state-run Trading Corporation of Bangladesh (TCB) has been distributing the goods to ease the burden of high inflation.

Rice prices have surged despite the present times being the peak harvest period for Aman season paddy.

The adviser said he had met rice traders at the commerce ministry on Tuesday, where they raised concerns about banking regulations.

Specifically, rice importers complained about banks demanding a 100 percent margin for opening letters of credit, complicating imports, he said.

During the inauguration, Bashir Uddin highlighted the government's efforts to digitalise TCB operations, such as the distribution of 63 lakh smart cards.

Each cardholder can purchase two litres of edible oil for Tk 200, two kilograms of lentils for Tk 120, and one kilogram of sugar for Tk 70.

The adviser added that the TCB currently procures goods worth Tk 12,000 crore annually and ensures subsidies worth Tk 4,000 crore for the purpose.

Plans are underway to involve more businesses in the TCB's supply chain, potentially saving Tk 1,000 crore, which could expand services to more beneficiaries, he said.

He also announced that the government would stockpile both local and imported potatoes this year to keep prices stable.



# 'Made in Bangladesh' exhibition in Brazil in June

STAR BUSINESS REPORT

Bangladeshi businesses will organise a "Made in Bangladesh Exhibition-2025" in Brazil's Sao Paulo from June 15 to June 18 with an aim to diversify export markets and boost trade with the Latin American nations.

The Brazil Bangladesh Chamber of Commerce and Industry (BBCCI) made the announcement at a press conference at Ascott Palace Dhaka yesterday.

"This is a vital step toward fostering economic collaboration, providing a platform to showcase excellence and form meaningful partnerships," Ambassador of Brazil to Bangladesh Paulo Fernando Dias Feres said at the event, highlighting the significance of the initiative.

"Whether in garments, jute, or pharmaceuticals, this event aligns with our vision of global economic growth, and it is a golden opportunity for Bangladeshi exporters," said BBCCI Vice President Md Saiful Alam.

BBCCI Secretary General Md Joynal Abdin highlighted the trade potential between the two nations as it already amounted to \$2.53 billion in 2022. The event will include business-to-business matchmaking, policy discussions and cultural showcases, focusing on innovation, investment, and trade.

Key dignitaries, including Leonardo de Oliveira Jannuzzi, deputy head of mission at the Brazilian embassy in Bangladesh, also attended the press conference.



The ongoing cold wave may affect the cultivation of dry-season Boro rice and increase the risk of pest attacks on potato and mustard fields. The photo was taken from Aditmari upazila in Lalmonirhat yesterday.

PHOTO: S DILIP ROY

# Don't transplant Boro seedlings during cold spell: DAE

STAR BUSINESS REPORT

The Department of Agricultural Extension (DAE) has advised farmers not to transplant seedlings of Boro paddy during the cold spell.

The advisory comes as the country is likely to see a cold wave from today, affecting the cultivation of the dry-season rice Boro and increasing the risk of pest attacks on potatoes and mustard in the fields.

The weather office earlier this month forecast a cold spell for a couple of days.

The DAE targets to ensure the cultivation of the dry-season variety of the food staple on 50.69 lakh hectares so that 2.26 crore tonnes of rice can be produced in the current fiscal year, said Sarker Shafi Uddin Ahmed, director-in-charge of the Field Service Wing of the DAE.

Boro production rose by 1.45 percent year-on-year to 2.10 crore tonnes in fiscal year 2023-24.

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# Modi looks to new economic playbook as risks mount

REUTERS, New Delhi

After world-beating economic growth last year, India's policymakers are scrambling to head off a sharp slowdown as worsening global conditions and domestic confidence wipe out a recent stock market rally.

On Tuesday, Asia's third-largest economy forecast annual growth of 6.4 percent in the fiscal year ending in March, the slowest in four years and below the government's initial projections, weighed by weaker investment and manufacturing.

The downgrade follows disappointing economic indicators and a slowdown in corporate earnings in the second half of 2024, which have forced investors to rethink the country's earlier outperformance and cast doubts over Prime Minister Narendra Modi's ambitious economic targets.

The fresh worries are heightening calls for authorities to lift sentiment by loosening monetary settings and slowing the pace of fiscal tightening, especially as Donald Trump's looming second presidency throws more uncertainty over the global trade outlook.

"You have to revive the animal spirit, and you also have to ensure that consumption picks up. It's not that easy," Madhavi Arora, chief economist at Emkay Global Financial Services, said, adding India could expand its fiscal balance sheet or cut interest rates.

Such calls come amid a flurry of meetings by Indian policymakers with businesses growing increasingly worried about faltering demand.

## The fresh worries are heightening calls for authorities to lift sentiment by loosening monetary settings and slowing the pace of fiscal tightening

Finance minister Nirmala Sitharaman held a series of meetings in December with industry and economists, customary ahead of India's annual budget, which is due Feb. 1.

Some of the measures proposed in those talks to boost growth include putting more money into the hands

of consumers and cutting taxes and tariffs, according to demands by trade and industry associations.

The worries about India's economy knocked 12 percent off the benchmark Nifty 50 index from late September to November. It clawed back those losses to end 2024 up 8.7 percent, a decent gain but well off the previous year's 20 percent surge.

As confidence wanes, the political urge to stimulate growth appears to be broadening.

India's monthly economic report published last month said the central bank's tight monetary policy was partly responsible for the hit to demand.

Modi has made some high profile changes recently that are expected to lift economic growth as a priority over price stability.

In a surprise move in December, Modi appointed Sanjay Malhotra as the new central bank governor, replacing Shaktikanta Das, a trusted bureaucrat who was widely expected to get another one to two-year term as chief having completed six years at the helm.

The appointment of Malhotra, who recently said the central bank would

strive to support a higher growth path, came immediately after data showed September quarter growth slowed much more than expected to 5.4 percent.

During the pandemic, Modi sought

to keep the economy growing by raising infrastructure spending and limiting wasteful expenditure to keep government finances in good shape.

That lifted headline GDP growth but has not supported wages or

helped consumption sustain an annual expansion of more than 7 percent over the past three years.

While India's economy may still outperform globally, the question is whether it can maintain 6.5 percent 7.5 percent growth or slow to 5 percent 6 percent, said Sanjay Kathuria, visiting senior fellow at Centre for Social and Economic Progress.

Arora said the country currently is in a "bit of a limbo" where individuals are not spending. She expects this to continue if employment does not improve and wage growth remains weak.

Reuters reported last month the government plans to cut taxes for some individuals and is preparing to offer tariff cuts on some farm and other goods mainly imported from the US, to clinch a deal with Trump.

Economists say the government will have to slow some of its fiscal tightening to support growth with the success of such measures dependent on the extent of the cuts.

With regards to trade, analysts say India needs a credible plan to fight Trump's tariff wars.



People shop at a wholesale market in Bengaluru, India. Asia's third-largest economy on Tuesday forecast annual growth of 6.4 percent in the fiscal year ending in March, the slowest in four years and below the government's initial projections.

PHOTO: AFP/FILE

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