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BUSINESS

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CHINESE NATIONALS IN MEGA PROJECTS

No setback for coronavirus, assures envoy

STAR BUSINESS REPORT

Bangladesh's mega projects involving Chinese nationals will not face any setback as less than 10 per cent of them had recently gone home and they will be quarantined and checked before being allowed back, said China's envoy to Bangladesh yesterday.

"Less than 10 per cent of Chinese engineers, technicians and workers went to China for the spring festival or the New Year. We recommended that they do not come back," said the ambassador, Li Jiming, at a press conference.

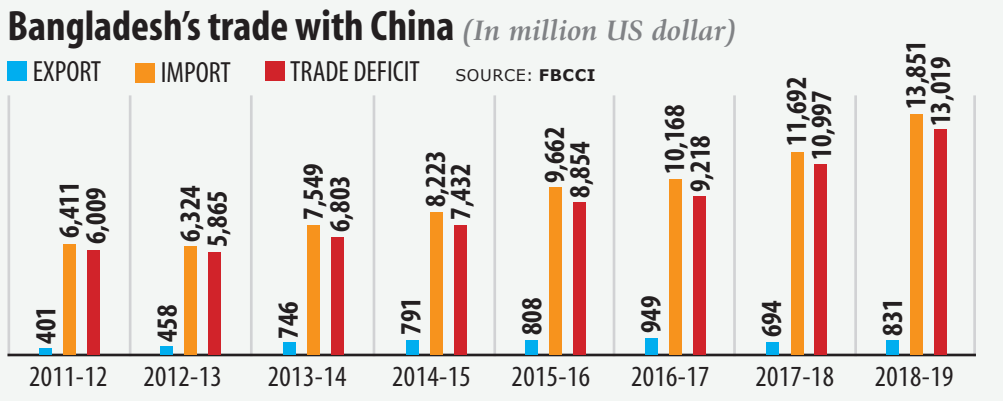
He also dispelled rumours of Bangladeshi students in China running out of food and water. The Bangladesh China Chamber of Commerce and Industry (BCCCI) organised the event at the National Press Club to provide an overall insight into the coronavirus outbreak in China.

"There is bad news that some Chinese nationals who went to the vacation are key figures of the project, few of them are leaders," he said.

However, Jiming hoped that there would be no significant interruption to the work as the Chinese nationals would come back only after undergoing quarantine and checks.

He said China was a bit apprehensive that the Bangladesh government might impose restrictions on the import of Chinese goods as well as limits to trips.

"I recently heard that the Bangladeshi government might impose some restrictions on Chinese imports through its land ports via Myanmar. If it happens, the situation could get serious," he said.



Li Jiming, ambassador of China to Bangladesh, speaks at a press conference on the Coronavirus at the National Press Club in Dhaka yesterday.

Jiming believes that the virus cannot be carried by goods and materials, rather it can only be carried by humans. He also urged Bangladesh to take measures based on rationale and science, not spurred by panic.

He praised the Bangladesh government for not imposing any trade barrier on China.

"As of today, no trade restrictions and overreacting measures have been

taken by the government (of Bangladesh)," he added.

He touched upon the Bangladeshi business community's concerns over whether they would have to shift their supply chain elsewhere from China.

"China has full confidence, determination and capability to win the battle soon. So, for only a little delay, shift of supply chain will be a stupid thing to do," said Jiming.

READ MORE ON B3

DSE TURNOVER HITS 11-MONTH HIGH

The benchmark index of the Dhaka bourse kept rising in the last two days after the announcement of a bailout package by Bangladesh Bank. A number of institutional investors sold their shares yesterday which is why the index remained almost flat but turnover was the highest since March 13 of 2019.

DSEX rose to **4,480.83** points
(up **9.31** points, or **0.20%**)

Turnover increased to Tk
657.19 crore (up Tk **151.34**
crore, or **29.96%**)

TOP FIVE GAINERS

Company	Gain (in %)
Orion Pharmaceuticals	10
ICB Employees Provident Fund	10
Saiham Textile	9.96
ICB	9.90
Hakkani Pulp	9.89

TOP FIVE LOSERS

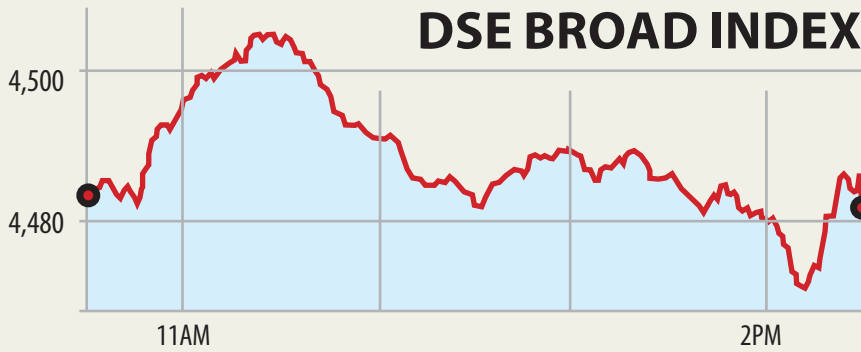
Company	Loss (in %)
Shyampur Sugar	7.78
United Airways	6.25
Union Capital	5.35
Coppertech	4.59
Metro Spinning	3.89

TOP SECTORAL FALL

Sector	Tk (in crore)
Textile	111.74
Pharmaceuticals	99.94
Engineering	81.21
Fuel & Power	45.87
Insurance	40.71

TOP TURNOVER

Company	Average daily turnover (in crore Tk)
Shepherd Industries	30.79
LafargeHolcim	30
Orion Infusion	18.48
Khulna Power	15.63
Indo-Bangla Pharmaceuticals	15.13



Saudi Arabia to help build skilled workforce

Wants to establish a training institute; Aramco may invest in energy sector

STAR BUSINESS REPORT

The Kingdom of Saudi Arabia is interested in establishing a training institute in Bangladesh to help create more skilled workforce for recruitment to the Middle Eastern nation.

Saudi Aramco, a national petroleum and natural gas company based in Dhahran, is also considering investing in Bangladesh's energy sector, said officials of the Economic Relations Division (ERD) at a joint economic commission meeting that began yesterday.

"Saudi Arabia wants to set up a training institute in Bangladesh so that they can hire more skilled manpower. They also want to recruit highly skilled nurses," an ERD official told The Daily Star.

After meeting with Finance Minister AHM Mustafa Kamal at his office in the planning ministry, Mahir Abdul Rahman Gassim, the deputy minister for labour and social development of Saudi Arabia, told reporters that a variety of issues are being discussed.

"Aramco is focusing on the energy sector and we [Saudi Arabia] are eager to make more investments in Bangladesh," said Gassim.

Gassim is leading the 40-member Saudi

AT A GLANCE

Saudi Arabia wants to recruit skilled nurses

Aramco is interested to invest in power sector

The kingdom is also keen on infrastructure, communication, high-tech parks, IT, textiles

Bangladeshi workers in Saudi Arabia sent home \$3.65b in 2019

Remittance from S Arabia accounts for 20% of Bangladesh's total remittances

delegation for the two-day joint commission meeting. ERD Secretary Monowar Ahmed is head of the Bangladesh delegation.

Representatives from other Saudi Arabian companies, such as ACWA Power and Al Bawani, are also featuring in the Saudi delegation.



Finance Minister AHM Mustafa Kamal talks to reporters at his office at the planning ministry in Dhaka yesterday.

PHARMA RAW MATERIALS

Import exempt from advance income tax

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has declared that imports of raw materials used to make active pharmaceutical ingredients (API) will be exempt from advance income tax until June 2024.

"We have exempted the tax to encourage the domestic production of APIs," said an NBR official.

The tax authority offered the discounts through a notification issued earlier this week.

The recent tax benefit comes a month after the NBR relaxed the rules regarding VAT exemption on manufacturers' imports of pharmaceutical raw materials.

Last June, the NBR exempted VAT

on the import of API raw materials on certain conditions. One of which was to manufacture at least five new molecules in a calendar year, which would add 60 per cent value to the domestic industry.

A molecule is an organic compound used to regulate a biological process.

The two conditions have since been eased, requiring that only two new molecules are produced each year, adding 20 per cent value, according to another NBR notification.

Four or five firms are currently engaged in API production and the recent tax exemption might lead to a reduction in the cost of raw materials. This would enable the pharmaceutical sector to further develop, the NBR said.

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Arshad Huq, second from left, managing director and CEO of Transcom Electronics, poses at the launch of products of American brand Stanley Black & Decker at the Transcom Digital outlet in Dhaka's Gulshan 1 yesterday.

Samsung unveils foldable phone, Galaxy S20 to fend off Apple, Huawei

REUTERS, San Francisco/Seoul

Samsung Electronics on Tuesday unveiled a foldable smartphone shaped like a large makeup compact and put 5G mobile network capabilities into all of its other flagship devices as it strives to retain the mantle of biggest global phone company.

Samsung's second attempt at a folding phone after a delayed rollout last year comes as the South Korean firm fends off its traditional rival in the premium smartphone market, Apple Inc., along with ascendant Chinese makers such as Huawei that have eaten into its sales in China and Europe. Huawei has only released its own folding phones in China, and Apple has yet to release a 5G iPhone of any kind.

Some analysts said sales of Samsung's new flagship series, the Galaxy S20 - which feature as many as four powerful cameras - will be slightly less than those of its predecessor, expecting foldable phones could eat into some of its sales.

Shares of Samsung, which generated 34 per cent of its profit last year from the mobile business and half from its chip business, rose 0.2 per cent in a flat wider market.

The Galaxy Z Flip, with folding glass, starts as a large square when closed and expands to look like most smartphones. It will start at \$1,380 and be available from Friday in purple, gold and black, executives said in San Francisco.

Last year's Galaxy Fold, a larger unit that folds like a book and was panned for its construction, had a plastic screen and was priced at nearly \$2,000.

Carriers are betting on 5G handsets to revive demand, as people keep their phones for as long as three to four years with the global smartphone market maturing, said Cristiano Amon, president of Qualcomm Inc, which supplied the chips for many of the Samsung devices.

'Everyone is guessing' about coronavirus economic impacts: experts

REUTERS, Boston

The coronavirus that spread from a seafood market in Wuhan, China to infect tens of thousands has shuttered businesses, grounded flights and killed over 1,000 people so far, mostly in China.

As the world's second-largest economy struggles to get back to work after an extended Lunar New Year holiday, analysts and bankers have been revisiting their estimates of the economic impact of the virus.

Most believe China faces a short but sharper economic shock than originally thought, one that will be felt around the world. Expectations of how harsh the impact will be vary widely, however. Health professionals and economists say opaque Chinese data and lack of precedent hinder clear estimates.

China's gross domestic product growth in the first quarter could fall to as low as 4%, Nicholas R. Lardy, senior fellow at the Peterson Institute for International Economics, estimated on Tuesday. That compares to Chinese government estimates of 6% annual growth before the virus emerged.

However, if the number of confirmed new coronavirus cases continues to decline, then adverse effect on annual growth will be much smaller, he added. Analysts from S&P, meanwhile, estimated Tuesday that the virus could lower China's GDP growth to 5 per cent this year, with a peak effect in the first quarter before a rebound begins in the third quarter.

"The numbers are very imperfect, and that's the basic reason behind the wide range of estimates," said Lardy. "Everyone is guessing." Many economists and analysts are looking closely at the historical precedent from the SARS virus spread in 2003. But when SARS struck, China's contribution to global GDP was just 4 per cent, compared with 15 per cent in 2017, and Chinese companies were much less integrated

into global supply chains.

Any forecasts are also complicated by the fact that Beijing has a history of closely managing China's economy to hit specific targets, and there were already doubts whether China's economy could reach 6 per cent growth this year.

Further, much remains unknown about the coronavirus, including its exact incubation period and the effectiveness of China's quarantine measures, Catherine Troisi, a University of Texas public health specialist, said Tuesday during a National Association for Business Economics call on the virus's economic impact.

The authoritarian nature of China's government could also hinder the response by making officials afraid to report problems, she said, adding the latest update of around 43,000 infections is likely an undercount.

"It's a culture that shoots the messenger. Because of the bureaucracy, local officials are afraid to say anything," she said.

Headwinds from the virus could knock 40 to 50 basis points off expected U.S. economic growth of up to 2.4 per cent per quarter for 2020, said Constance Hunter, KPMG Chief Economist and president of NABE, also speaking during the call.

Hunter, however, cautioned that could change if infection and death rates spike up. The virus could shave a percentage point off China's revised growth rate of 5 per cent for the first half of the year, she said.

Jay Bryson, acting Chief Economist for Wells Fargo & Co, said on the call that while some U.S. industries including air travel and electronics could be affected by a Chinese economic slowdown stemming from the epidemic, trade with China still accounts for a small part of the overall economy.

"We wouldn't say this is going to bring the U.S. economy to its knees," he said. "Americans are pretty resilient when it comes to consumer spending," especially on services. Supply chain disruptions "would have to occur for a while to have a meaningful impact," he said. It is unclear whether the coronavirus will prove more or less deadly than other similar outbreaks, Troisi added. "I'm not a fortune teller," she said.



ICT State Minister Zunaid Ahmed Palak and Banglalink CEO Erik Aas pose with the top seven participating digital startups selected for the third cohort of the Banglalink IT Incubator—a joint initiative of the ICT ministry, Bangladesh Hi-Tech Park Authority and Banglalink to promote innovative ventures—at an event in the capital on Tuesday.

BMW aims to slash CO2 output by 20pc in 2020

AFP, Frankfurt Main

German high-end carmaker BMW aims to slash the amount of carbon dioxide (CO2) emitted by its cars sold in Europe this year by 20 percent, its chief executive said Wednesday.

The pledge comes as new European Union regulations bite this year, requiring carmakers to sharply reduce fleet-wide emissions on pain of massive fines. "We will achieve an improvement of 20 percent in Europe this year alone" compared with 2019, CEO Oliver Zipse said during a speech in western German city Bochum.

Manufacturers and experts agree that sales of battery-electric and hybrid cars must rise massively if companies are to squeeze CO2 output below the threshold of 95 grammes per kilometre on average.

In 2018, new BMWs sold averaged 128 grammes per kilometre.

The firm only forecast a "slight decrease" last year and has not yet published final figures for 2019.

Slightly more generous limits for heavier cars could work in favour of the carmaker, which tends to offer larger vehicles.

Ola Kallenius, chief executive of Mercedes-Benz parent Daimler, said Tuesday the group's adjusted per-kilometre CO2 target was slightly "north of 100 grammes".

But the longtime BMW rival is "not guaranteed" to meet even that laxer limit this year or next, he added.

By contrast, Zipse said "it's clear for the BMW group that we will achieve our goals." One-third of the carbon reductions would come from less-polluting combustion engines, and two-thirds from electric-powered vehicles, he added.

Zipse, who took over BMW from Harald Krueger in July, aims to lift EU electric and hybrid sales from 8.6 percent in 2019 to 25 percent next year, one-third in 2025 and 50 percent in 2030.



Workers wearing face masks rope a container ship at a port in Qingdao, Shandong province, China.

Intel, Facebook drop out of key mobile fair over virus fears

AFP, Madrid

US chip giant Intel, Facebook, Chinese phonemaker Vivo and Cisco all withdrew from the Mobile World Congress over coronavirus fears Tuesday, joining other industry heavyweights pulling out of the world's top mobile fair.

The annual Barcelona-based congress normally draws more than 100,000 people, but this year, participation has been hit by the outbreak of the COVID-19 virus, which has claimed more than 1,000 lives since first emerging in China.

Over the past week, a string of major tech names have dropped out, among them Sony, Sweden's Ericsson, South Korean giant LG and Japan's NTT DoCoMo, raising questions about whether the event would be cancelled.

"The safety and wellbeing of all our employees and partners is our top priority, and we have withdrawn from this year's Mobile World Congress," said an Intel statement sent to AFP.

Facebook, which operates Instagram and WhatsApp, said in a statement that it was pulling out of the Barcelona event because of public health risks related to the virus.

Vivo, which is one of the world's top five smartphone manufacturers, also confirmed it would not participate in the show, a key date in the tech calendar where firms unveil their latest gadgets and innovations.

"In light of the current situation, we have taken the decision not to attend MWC 2020 or any other associated event in Barcelona at the same time" it said, pledging to postpone the presentation of its latest mobile offering.

"The health and security of our employees and the wider public are a priority for us," it said. Vivo is the second Chinese firm to withdraw from the show after Umidigi, a smaller handset maker, pulled out on Monday.

US tech company CISCO had taken the "difficult decision to withdraw" from the event due to concerns over the virus, the company said in a statement on Twitter.

For now, China's top smartphone manufacture Huawei as well as its smaller rival ZTE are still set to attend and have said their executives and staff would undergo a self-imposed two-week quarantine period before appearing at the show.



Abdul Matlub Ahmad, third from right, chairman of Hero MotoCorp Bangladesh Ltd and Nitul Niloy Group, poses at the launch of new Hero branded motorcycle—Spendor—at Dhaka Regency Hotel and Resort in the capital on February 11. The 100cc motorbike will be available in candy red and black with silver colours at a price of Tk 96,990.

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OFFICE OF THE EXECUTIVE ENGINEER
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"শিক্ষা নিয়ে গড়ব দেশ
শেখ হাসিনার বাংলাদেশ"

Invitation for e-Tender (IFT) (Re-Tender 2nd Call)

Tender Notice No: 45/e-GP/EED/NZ/non-govt./hs/2019-2020. Dt: 11/02/2020.

e-Tender are hereby invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the Procurement of following works.

SL No	Package No	Tender ID No	Name of works	Reference memo No	Tender Document Last Selling/ Downloading (Date & Time)	Tender Closing & Opening (Date & Time)
01	nz/non-govt/construction/hs/18-19/9	342228	Construction of 5 -storied academic building with 5-storied foundation Ground Floor Open including sanitary water supply and Internal electrification works at Hazi Rahim Ullah High School Sonagazi Feni. (Coastal)	37.07.0000.017.19.430.15,dt-04/11/2018	02-03-2020 16:00	03-03-2020 11:00
02	nz/non-govt/construction/hs/18-19/5	423653	Construction of 5 -storied academic building with 5-storied foundation Ground Floor Open including sanitary water supply and Internal electrification works at Chorking Girls High School, Hatiya, Noakhali. (Coastal).	37.07.0000.017.19.430.15,dt-04/11/2018	02-03-2020 16:00	03-03-2020 11:00
03	nz/non-govt/construction/hs/18-19/1	423655	Construction of 5 -storied academic building with 5-storied foundation Ground Floor Open including sanitary water supply and Internal electrification works at Oshkhali S.T Girls High School,Hatiya, Noakhali (Coastal).	37.07.0000.017.19.430.15,dt-04/11/2018	02-03-2020 16:00	03-03-2020 11:00
04	nz/eed/ngss/2018-2019/08	423656	Construction of 5 -storied academic building with 5-storied foundation Ground Floor Open including sanitary water supply and Internal electrification works at Char Sahavikhari High School under Sonagazi upazila in Feni District. Category-4	37.07.0000.017.19.430.15.1465 Date: 19.06.2019	02-03-2020 16:00	03-03-2020 11:00

This is an online tender, where only e-Tender will be accepted in the National e-GP portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System portal (<http://www.eprocure.gov.bd>) is required.

Further information and guidelines are available in the National e-GP help desk (helpdesk@eprocure.gov.bd).

(Dipankar Khisa)
Executive Engineer.
Education Engineering Department
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GD- 288

Singer Bangladesh records 12pc rise in earnings

STAR BUSINESS DESK

Singer Bangladesh recorded a 12 per cent rise in earnings for the year ending on December 31, 2019 when the company declared 77 per cent cash dividend amounting to Tk 76.8 crore for its shareholders.

In 2019, the company's turnover increased by 14.2 per cent to Tk 1,550 crore while its operating profit rose 17.6 per cent with higher operating margins at 12.6 per cent, up from 12.2 per cent in the previous year.

"These results demonstrate that Singer has continued to build on its position as the leading international appliance brand in Bangladesh," said Fatih Kemal Ebiciloglu, chairman of Singer Bangladesh.

"In 2020 and beyond, we plan to further increase our retail space and dealer numbers to capitalise on the opportunities available in this fast growing and exciting sector."

"Singer Bangladesh's revenue has increased at an impressive rate of 40 per cent over the past two years, with net income more than 38 per cent in that period," he said.

Singer has been a public company in Bangladesh since 1983 and is the only

listed household consumer durable company available to investors on the stock exchanges, he said.

"Singer is widely regarded as one of the blue-chip multinational companies in Bangladesh and is committed to the highest ethical and corporate governance standards."

The company's profit after tax jumped up by 12 per cent to Tk 103.2 crore with earnings per share increasing at the same rate to Tk 10.35 per share, the company said in a statement.

The company also recommended increasing its authorised capital from Tk 100 crore to Tk 250 crore, according to the statement.

During 2019, Emerging Credit Rating Ltd announced that it has maintained its AAA long-term credit rating for Singer Bangladesh with a stable outlook for the company.

Singer Bangladesh, which currently has 405 company owned stores and nearly 1,000 wholesale dealers, is 57 per cent owned by Retail Holdings Bhold BV (The Netherlands).

The shares of the company are publicly traded in the Dhaka Stock Exchange and Chittagong Stock Exchange.

Britain and EU split over financial market access



REUTERS/FILE

Britain's Chancellor of the Exchequer Sajid Javid is seen outside the venue for the Conservative Party annual conference in Manchester.

REUTERS, London

Britain wants a stable relationship with the European Union for "decades to come" in financial services, finance minister Sajid Javid said on Tuesday, only to receive an instant rebuttal from Brussels.

Britain left the EU last month and its large financial services sector will lose privileged access to EU customers

from January 2021. Financial firms would be able to service those clients only in sub-sectors where rules are deemed "equivalent".

Javid urged the EU to consider Britain's financial sector "equivalent", a reference to the bloc's system of financial market access, based on Brussels acknowledging that UK regulation is as robust as the EU's.

"This is important not only in the short term, but to establish the norms and ways of working with the EU that will endure for decades to come," Javid said in an article in City AM newspaper.

Replying to a lawmaker's question later in parliament, Javid said the EU should continue to recognise the UK as meeting the EU's equivalent regulatory standards because "on day one (Jan. 1, 2021) we will have exactly the same rules".

However, EU chief Brexit negotiator Michel Barnier said London should be "under no illusion" on financial services as there would be "no general, global, permanent equivalence" with Britain.

"There will be no common management," Barnier told the European Parliament in Strasbourg.

Equivalence only covers some financial activities, basic banking is excluded, and Brussels can in theory scrap access with just 30 days' notice in some cases.

Britain and the EU have agreed to make such an assessment by the end of June, but Brussels says actual financial market access will be linked to broader trade issues such as fishing rights.

Bank of England Governor Mark Carney has spoken against Britain becoming a taker of EU rules.

New vice president for ICMAB



STAR BUSINESS DESK

Md Mamunur Rashid has recently been elected as the vice president of the Institute of Cost and Management Accountants of Bangladesh.

Rashid is the deputy managing director at X Index Companies and the independent director of the West Zone Power Distribution Company Ltd, an enterprise of Bangladesh Power Development Board, and Nitol Insurance Co Ltd.

Previously, he has also worked for Bangladesh Ceramic Manufacturers and Exporters Association and the Federation of Bangladesh Chambers of Commerce and Industry.



RUNNER

Amid Sakif Khan, marketing director of Runner Automobiles Ltd, hands over a Runner AD-80s Deluxe motorcycle to Md Abu Salek, the winner of the automobile company's ongoing campaign to celebrate 20 years of its operation, at Runner's head office in Dhaka recently.

Google vs EU: a decade-long saga goes to court

AFP, Brussels

Google and the EU have a big day in court Wednesday as the search engine giant enters a new phase of a legal saga that began a decade ago.

The Silicon Valley juggernaut is appealing a 2.4 billion euro (\$2.6 billion) fine from 2017 that was the first in a series of major penalties from the European Commission, the EU's powerful anti-trust regulator.

Google has paid the fine and changed its behaviour, but the company will strongly condemn the decision in the EU's General Court as ill-founded and unfair.

"We're appealing the European Commission's 2017 Google Shopping decision because it is wrong on the law, the facts, and the economics," the company said in an email.

"Shopping ads have always helped people find the products they are looking for quickly and easily, and helped merchants to reach potential customers," it added.

The case opens what will certainly be a long season of court dates for Google and the EU, with two other fine decisions also under appeal at the Luxembourg-based court.

The EU and Google have been locked in battle since 2010 when the commission first looked into accusations that the search engine was squeezing rivals from results in order to promote ads and Google Shopping, a price comparison service.

For several years Brussels and the US giant sought a negotiated settlement, but the EU abruptly reversed course in 2014 after the intervention of member states and the arrival of Margrethe Vestager who took over as EU competition chief.

Vestager, a former Danish finance minister, quickly became known for her relentless pursuit of US tech giants that drew attention worldwide.

She has since racked up a total of \$9 billion in fines against Google and has slapped Apple with a 13 billion euro tax bill that boss Tim Cook dismissed as "political crap".

8 social businesses get £2m from Unilever-DFID-Ernst & Young venture

FROM PAGE B4

The plan has three big goals to achieve, underpinned by nine commitments and targets spanning social, environmental and economic performance across the value chain.

The £40 million initiative is said to have supported over 50 projects with businesses across South Asia and sub-Saharan Africa.

Md Mokammel Hossain, additional secretary for SDG Affairs at the Prime Minister's Office, Kedar Lele, chief executive officer and managing director of Unilever Bangladesh, and Chris Edward, strategic partnership and innovation manager at the DFID, spoke on the occasion.

No setback for coronavirus, assures envoy

FROM PAGE B1

Asked if the Bangladesh garment sector will suffer from the situation, he said the virus was identified in Wuhan, which was not prominent for garment-related materials.

He said 70 per cent of the raw materials required by Bangladesh's garment sector came from China and what happened in Wuhan would not affect the garment sector's supply chain.

The ambassador said except for some of the affected cities, most were witnessing the return of people to work.

"So the situation is improving as we are speeding up progress in a scientific and orderly manner," he said.

"Over the years, as Bangladesh's largest trading partner, China has provided Bangladesh with stable sources of raw materials and various commodities of high quality and low price, giving important material support for Bangladesh's economic development," he said.

"We believe that China will remain Bangladesh's most reliable trading partner in the future," he added.

Jiming hoped that both sides would continue to maintain sound trade exchanges in goods and services.

"We also call on the Chittagong customs

to provide efficient customs clearance facilitation for imports from China on the premise of ensuring the safety of export inspection and quarantine of goods," the ambassador added.

The ambassador said some rumours were making the rounds that some Bangladeshi students in Hubei province, not Wuhan, were running out of food and water.

"After hearing the allegation from the Bangladesh's foreign minister and officials I instantly dismissed it. Because I know China doesn't act like that," he said.

"However, immediately an embassy official contacted China and I was assured of no such incident happened with the students," said Jiming.

Gazi Golam Murtoza, president of the BCCCL, said the outbreak of the virus in China has not affected businesses so far.

During this period of time, Bangladeshi traders usually import their necessary raw materials for garments and other sectors before the Chinese New Year holiday, he said.

"If the problem (virus outbreak) continues, the future will tell where the situation will get to," he said, adding that there were 172 Bangladeshis in Hubei.

Japan's efforts to raise wages wane as firms embrace merit-based pay

REUTERS, Tokyo

More Japanese companies are shifting to merit-based pay as competition for workers heats up, but the change risks holding back the sort of blanket wage hikes the prime minister says are needed to inflate the economy.

Ahead of annual labour talks set for March 11, the momentum to agree broad wage rises is waning as the focus shifts to merit-based pay scales. Bellwether auto giant Toyota Motor Corp's labour union is no longer seeking blanket pay rises, likely prompting others to follow suit.

It could give Japanese firms the excuse not to boost overall labour benefits, with many wary of fixed costs as profits are seen squeezed by Sino-U.S. trade tensions, the new coronavirus outbreak and global slowdown.

For workers, the shift would boost salaries of younger workers and potentially widen the country's wage gap.

Prime Minister Shinzo Abe's government has been pushing for a more flexible labour market that would boost wages and revive consumption, but ironically, firms have also been asked to keep offering blanket pay rises.

"The momentum towards base pay hikes is waning, while the October sales tax hike has added a burden on households. Declines in company profits are also casting a chill over the wage-hike mood," said Masaki Kuwahara, senior

economist at Nomura Securities.

Sluggish wage recovery bodes ill for private consumption and the central bank's aim of hitting its elusive 2 per cent inflation goal.

"Japanese firms no longer see the point of doing what everyone else does to raise wages in unison," said Hisashi Yamada, senior economist at Japan Research Institute. "As Abe's campaign on wage hikes runs its course, wages will struggle to rise ahead." Some 57.8 per cent of Japanese firms have adopted merit-based pay as of 2018, up from 17.7 per cent seen in 1999, data from Japan Productivity Center, a non-governmental organisation, show.

Electronics maker Fujitsu Ltd is one of the leading companies that have adopted merit-based pay.

It is offering annual salary of up to around 30 million yen (\$273,000) for skilled workers such as high-tech engineers while keeping average annual per capita pay at around 8 million yen for its 32,000 employees.

"I understand the government's intention of trying to boost wages to stimulate the economy. But wages and labour costs are something that individual firm should decide based on results," said Manabu Morikawa, senior director at Fujitsu's employee relations division.

"As we compete globally, we should take global labour market and pay standards into account so that wages are set in the way that should compare favourably with our rivals,"

Morikawa said.

Toyota's labour union is demanding an average pay rise of 10,100 yen per month this year, down from last year's call for 12,000 yen, or 600 yen less than the agreed increase in 2019.

The union has agreed to Toyota's shift towards merit-based pay, which will make distribution of corporate income vary from employee to employee depending on their performance, so as to lure talent, said Takayuki Furukawa, spokesman for the union.

"Merit-based pay will create a pay gap between able workers and those who are not, but we share the need to help the company overcome rapid change surrounding the car industry," Furukawa said.

"We used to focus on base pay and job security. But now the competition is so tough that we need to support our company to secure workers amid labour shortages," he said.

Japan has lagged industrialised economies in adopting merit pay systems and blanket pay rises based on years of service have come to symbolise the country's inability to compete in the global marketplace.

Last year, big firms raised wages by some 2% for a sixth straight year as Abe kept up the pressure on businesses to boost pay to beat deflation that has dogged Japan for two decades.

Some analysts believe efforts to boost wages though may be limited as Japan's work structure diversifies.

About 40 per cent of workers are lower-paid part-time staff and contract workers - double the proportion seen in 1990, just before the asset bubble burst. Seven of 10 workers are also employed by small businesses, often with much lower salaries than those at big firms.

The growing rank of low-paid workers has led unionists to prioritise addressing the income gap between permanent employees and low-paid workers, instead of a broad uniform pay raise.

For decades since the mid-1950s, spring labour negotiations dubbed "shunto" have served as a platform for wage talks in Japan. But with less than one in five Japanese employees being union members, the bargaining power of unions has been on a steady decline, making annual talks more symbolic, analysts say.

"Wage gaps among businesses and within the same company are getting wider and wider, making effects of wage talks unclear," Shintaro Nakao, president of Pasona Inc, a human resources service company, told Reuters.

"As merit-based pay replaces seniority-based pay, wages for those in their 20s and 30s may increase more than the middle-aged and elderly workers, causing the wage curve to flatten."



REUTERS/FILE

A worker walks near a factory at the Keihin industrial zone in Kawasaki, Japan.

Robi launches VoLTE for better services

STAR BUSINESS REPORT

Robi yesterday introduced voice over long term evolution (VoLTE) technology to provide the 4G users of the telecom operator with enhanced audio, better data usage and improved service.

"VoLTE is a real game changer," said Mahtab Uddin Ahmed, CEO and managing director of Robi.

Not only does the VoLTE provide high-quality voice services, it also significantly enhances an operator's ability to carry voice calls over their network, he said.

VoLTE has up to three times more voice and data capacity than older 3G UMTS (Universal Mobile Telecommunications System), he said.

"The most exciting part is that our customers won't have to pay any extra charges to avail this new innovative experience."

VoLTE service

Call generation time will come down by **1/3rd**

11% Robi customer have VoLTE supportive handset

5,000 sites ready for VoLTE service

3G will be obsolete within **3-4** years

Robi tested VoLTE for a year



COLLECTED

Home Minister Asaduzzaman Khan and Telecom Minister Mustafa Jabbar pose at the inauguration of Robi's VoLTE service at a ceremony at InterContinental Dhaka yesterday.

After completing trial runs, Robi launched the service at a programme at the InterContinental Dhaka.

Robi users in Dhaka and Chattogram will be the first to enjoy the service as about 5,000 cellular towers equipped with VoLTE technology have been activated across the two divisions.

Gradually though, the service will be made available throughout the country, said Robi officials.

VoLTE is an inter-protocol based voice call technology which is specifically designed to ensure high-quality phone calls.

VoLTE treats a person's voice as though

it were an application, which use the operator's LTE data network to transmit data.

By doing so, calls can be set up within just 3 to 4 seconds, which is 40 or 50 per cent faster than how voice calls are traditionally handled, Robi said.

READ MORE ON B3

Uber now in Cox's Bazar

STAR BUSINESS REPORT

Uber yesterday launched its operations in Cox's Bazar, making it the fourth Bangladeshi city after Dhaka, Chattogram and Sylhet.

UberMoto and UberXL, two services of the global ride sharing company, will be available in the city to go up to Innani and Ramu.



COLLECTED

"We are delighted to announce our foray in Cox's Bazar, the heart of tourism in Bangladesh," said Ratul Ghosh, head of Bangladesh and East India for Uber.

The launch of Uber services in Cox's Bazar will offer affordable, reliable, and convenient transportation access to riders, and livelihood opportunities for drivers, according to a press release.

In 2019, riders from 76 countries had used Uber while visiting Bangladesh, Ghosh said.

"We are excited to contribute to the potential of this new city and optimistic that citizens and tourists will give us a warm welcome."

Uber has launched several safety products so that riders feel safe before, during and after trips, reads the press release. There is an emergency number that connects riders to law enforcement agencies, an in-app safety toolkit, and updated the app's community guidelines, which outline the behaviour expected from riders and drivers to foster mutual respect.

To ensure seamless post-trip assistance, Uber has invested in a 24/7 safety response team and a dedicated law enforcement response team for assisting police with any information they might need, it added.

8 social businesses get £2m from Unilever-DFID-Ernst & Young venture

STAR BUSINESS REPORT

Maya is an online platform where any health-related question can be asked anonymously free of charge and without fear of judgment.

To provide round the clock expert advice on physical, mental and lifestyle issues from doctors, psychologists, and beauticians, the platform uses a database of over 25 lakh questions and their respective answers on various topics.

Also available in app form from www.maya.com.bd, Maya is being termed as a personal digital wellbeing assistant by its creators.

Maya is one of 8 innovative 'social business organisations' that received a donation of Tk 22 crore, or £2 million, in the past two years from 'Transform', a joint venture of Unilever, the Department of International Development (DFID) and Ernst & Young.

The initiatives were made public at The Westin Dhaka yesterday.

The eight enterprises are centred on enabling good health and wellbeing, which is also Sustainable Development



STAR

Representatives of eight social businesses and officials of Unilever and the DFID pose at an event in The Westin Dhaka yesterday.

Goal (SDG) 3, and clean water and sanitation, or SDG 6. They are 'creating inclusive markets' to 'help alleviate poverty', or SDG 1, and embody partnerships for goals, SDG 17.

Transform is said to be an attempt

to further Unilever's 'Sustainable Living Plan', which aims to decouple its growth from environmental footprint while increasing positive social impact.

READ MORE ON B3

Coronavirus to affect Bangladesh's tourism

Says a senior govt official

UNB, Dhaka

Coronavirus outbreak in China, which has spread to two dozen countries, will negatively affect Bangladesh's tourism and aviation sectors, a senior government official said yesterday.

"The effect of coronavirus has spread throughout the world. We can't deny the fact that it will have some impact on Bangladesh," said Md Mohibul Haque, senior secretary of the civil aviation and tourism ministry.

He was interacting with journalists at the secretariat after inaugurating a magazine - "Beautiful Bangladesh" - for passengers of Bangladesh Biman Airlines. At the programme, State Minister for Civil Aviation and Tourism Md Mahbub Ali said there is nothing to be scared about coronavirus as Bangladesh does not have any direct flights to China.

"As you know, coronavirus is destroyed in 32-35 degrees Celsius and within the next few days Bangladesh's temperature will reach 32C. So there's no need to worry," he said.

Ali said the government has taken



FAHD MANNAN

Birds take to the skies as the sun goes down in Nijhum Dwip under Noakhali's Hatiya upazila.

all possible measures to tackle the new virus, adding that passengers are being screened at the airport.

The viral outbreak that began in

China's Wuhan has infected more than 45,100 people globally. Deaths in mainland China stood at 1,115 yesterday, according to reports.

Why is tax-GDP ratio so low in Bangladesh?



NASIRUDDIN AHMED

TAX compliance means registration of a taxpayer in the system, timely filing of tax returns, completion of accurate reporting and payment of taxes on time. It can be voluntary or enforced.

There are two dimensions of voluntary compliance: committed compliance and creative compliance.

Committed compliance is the willingness to discharge tax obligations by taxpayers without grumbling. On the other hand, creative compliance refers to any act by a taxpayer aimed at reducing taxes by reducing one's tax liability.

With tax-GDP ratio of 9.3 per cent, Bangladesh's tax-GDP ratio is much below the average of developing countries (15 per cent).

This is mainly because of poor tax compliance rate in both income tax and value-added tax (VAT), which contribute about 85 per cent of the revenue collection of the National Board of Revenue (NBR).

In Bangladesh, a large number of individuals and firms are unregistered and the vast majority of registered individuals and firms fail to pay right taxes.

Out of more than 10 million potential individual income

taxpayers, 3.8 million are registered in the system, but about 1.5 million people file tax returns along with tax, according to NBR data.

Therefore, the personal income tax compliance rate is 14 per cent. On the other hand, out of about 213,505 companies registered with the Office of the Registrar of Joint Stock Companies and Firms, only 45,000 companies submit returns with taxes. So, the compliance rate of corporate income tax is 21 per cent.

Personal income tax contributes only about 40 per cent of the income tax revenue. The remaining 60 per cent of the revenue comes from corporate income tax.

The compliance rate of VAT registered firms is 11.56 per cent. The figure does not include those firms which are neither registered nor do they submit monthly VAT returns to the NBR (non-filers).

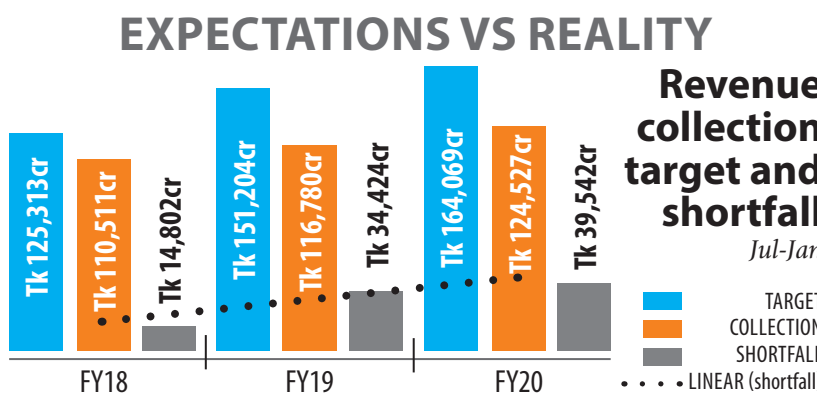
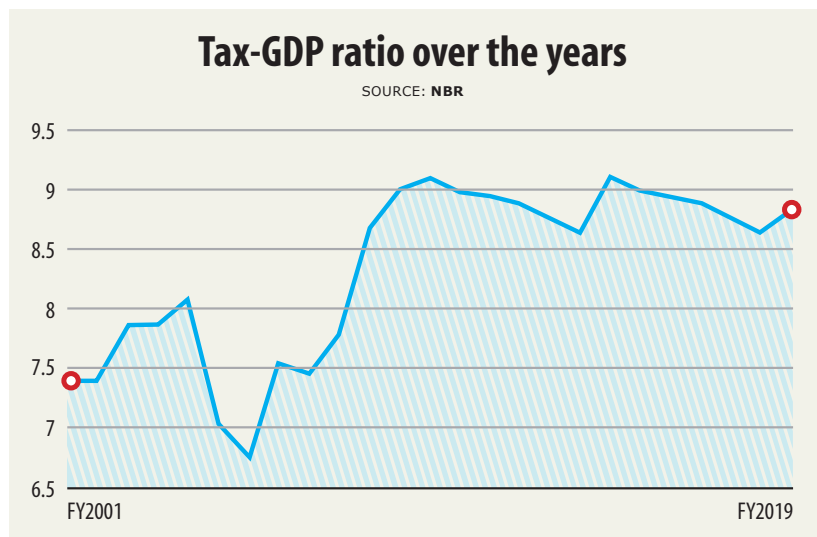
Bangladesh faces the problems of both creative compliance (tax avoidance) and enforced compliance (tax evasion). Apart from this, tax exemption and tax evasion are rampant.

Litigation management is a key issue of taxation. Moreover, the size of the informal economy constitutes 35 per cent of GDP.

The Eighth Five-Year Plan for fiscal year 2020-21 to fiscal year 2024-25 has set the target of raising the tax-GDP ratio to 14.2 per cent by 2025.

The plan underscores the need for consolidating efforts for revenue mobilisation, which can eventually be used for public investment.

More generally, the investments in health, education and social protection largely rely upon the size of the government revenue.



In order to attain the sustainable development goals (SDGs) by 2030, the NBR needs to prepare and implement a five-year tax modernisation plan. The plan may aim at reforming both tax policy and tax administration in order to improve tax compliance in the country.

The present Income Tax

Ordinance, 1984 is outdated to keep pace with the changing need of time. So, a new income tax code is needed to put in place an efficient and modern income tax regime in the country.

The design of the new code will encourage wide voluntary compliance by the overwhelming majority of taxpayers. This will be achieved by

declaration and eliminate distortions.

The NBR has taken an innovative programme like holding income tax fair. Similar programmes may be undertaken in cases of other taxes. The NBR has put in place the mechanism of alternative dispute resolution (ADR) to reduce the tax pendency in the courts.

Now time has come to strengthen the mechanism by bringing all related stakeholders in compliance.

IGC research findings show that social incentives and peer effects are an effective way to improve tax compliance. The government may scale up the programme to a larger geographic area for enhancing tax revenue in Bangladesh.

The NBR should link electronic government (e-GP) with the tax system.

The NBR may be strengthened by redefining its status and regulatory powers and its relationship with the government, restructuring it and its field formations by function and type and by providing customer services to all taxpayers through a web-enabled tax administration (e-registration, e-filing of tax returns, e-payment and e-refund).

The tax administrator can also be strengthened by developing a strategic communication and taxpayer outreach and education programme and developing human resources and institutional capacity of the NBR.

The government may form a platform of think tanks for undertaking research and advocacy on taxation.

The writer is a former chairman of the National Board of Revenue