

Dream71 to develop video game for East Timor children

MUHAMMAD ZAHIDUL ISLAM

Local software giant Dream71 Bangladesh is set to develop two educational videogames for East Timor, a Southeast Asian nation situated in the Pacific, a development that can be viewed as yet another feather in the cap to the country's budding ICT sector.

Dream71 won an international tender under the United Nations Development Programme (UNDP) based on the company's experience in this line of work.

The company had to fend off competition from 39 firms from Bangladesh, India, Australia, Brazil, Vietnam and the Philippines.

"We won the bid in the face of serious competition," said Rashad Kabir, managing director of Dream71, while declining to disclose the project's total value.

Dream71 became the first local firm to produce educational platforms in Bangladesh back in 2016.

The company had developed science-based video games for sixth- to eighth-grade students with the help from the education ministry and access to information programme (a2i), another UNDP concern.

If the government provides the scope for local software companies like Dream71 to secure more international tenders, then they would surely bring glory for the country, said Kabir, also a director of the Bangladesh Association of Software and Information Services (BASIS).

Dream71 has signed the agreement with the UNDP last Friday and can now begin developing the two games, which will be on environmental awareness and financial education platforms for students from grade five through to seven.

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MFS should be mandatory for social safety net handouts

STAR BUSINESS REPORT

Nagad yesterday urged the government to make it mandatory to use the mobile financial services platform to disburse funds for the social safety net programmes.

The MFS arm of the postal department made the call after Finance Minister AHM Mustafa Kamal on Thursday proposed raising the allocation for social security by 16.74 per cent to Tk 95,574 crore for fiscal 2020-21.

The new allocation is 16.83 per cent of the total budget and 3.01 per cent of the total gross domestic product.

The government has already adopted MFS for distribution of grants and allowances in several sectors, Nagad said in a press release. And that needs to be increased.

Besides, using these channels will also help ensure social distancing, it added.

MFS has become the first choice of the government to ensure transparency and for instant disbursement of the public allocations or grants, said Tanvir Ahmed Mishuk, managing director of Nagad.

In January, Prime Minister Sheikh Hasina issued a directive to distribute all government allowances through Nagad, which gave a boost to the digital financial industry, he said.

Mishuk hopes Nagad will play the role of a bridge by supporting the government in disbursing funds among the poor and the vulnerable.

Last month, four MFS providers had disbursed the prime minister's Eid gifts of Tk 2,500 each to 50 lakh families affected by the coronavirus outbreak in Bangladesh.

Nagad distributed the handouts to 17 lakh families.



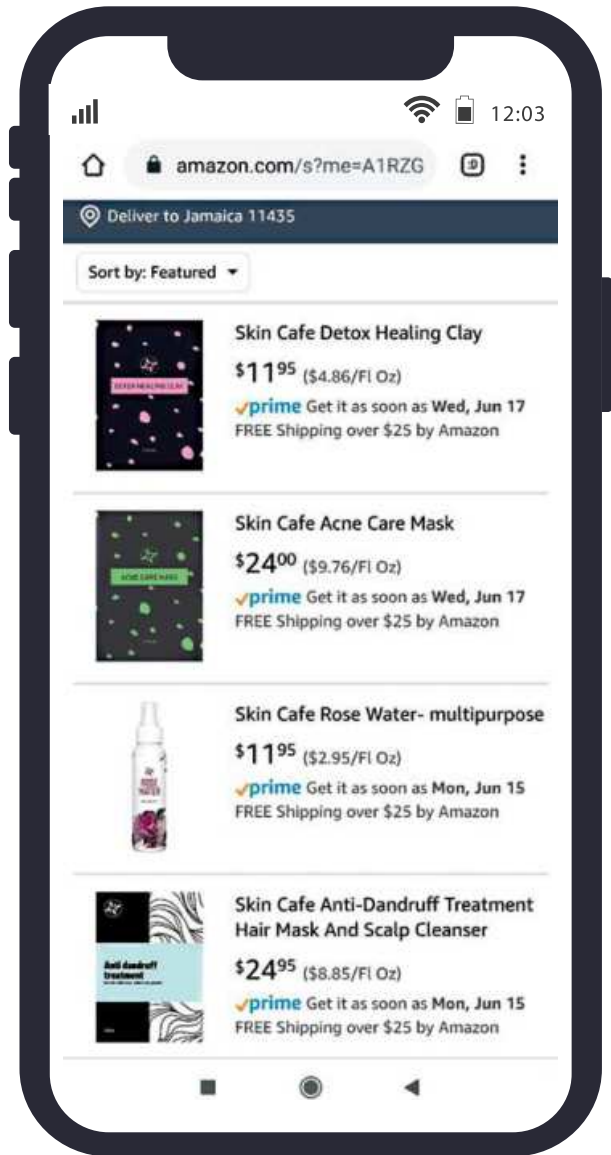
Bangladeshi skincare brand now selling on Amazon US

MAHMUDUL HASAN

Local organic skincare product brand Skin Café has ventured into the foreign territory after it got the nod to list its products on the Amazon US site, a development that can be viewed as a trailblazing moment for a Bangladeshi company.

"We are proud as this is the first Bangladeshi beauty brand to get approval from the Food and Drug Administration (FDA). This is an extraordinary achievement by our team," Nazmul Sheikh, chief executive officer of Skin Café, told The Daily Star yesterday.

Through Amazon, eight Skin Café products will be available in the US and Canada: coconut oil, castor oil, acne care mask, brightening mask, rosewater face and body mist, detox healing clay mask, hair fall treatment and anti-dandruff treatment.



The company has 21 products in total and is now working on getting the FDA certification needed to get them listed on the global e-commerce giant's marketplace.

However, securing the FDA approval was no easy task for the local start-up, which was established in 2017 with a single factory in the capital's Vatara area.

Finding good chemists was the key challenge in making international standard cosmetics, Sheikh said, adding that most raw materials and formulas needed for their products are imported.

"That is why we emphasised on making high-end cosmetics fit for the international market," he added.

The partnership with Amazon marks the start of an exciting new journey that will help promote what Skin Café has to offer consumers worldwide, said Mohammad Abdullah Al Zahid, chief operating officer of Skin Café.

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Walton's generosity towards its retail investors amid hard times

Offers 10pc extra discount on its share price

AHSAN HABIB

Walton Hi-tech Industries usually offers several types of discounts on its products round the year. But this time, the high-flying company has come up with a discount on its share price, in a move not seen by the country's bourse before.

The move comes to give relief to general shareholders amid the raging coronavirus pandemic.

The local electronics giant has already discovered its cut-off price for each share at Tk 315 through bidding of eligible investors as it plans to go public.

General investors usually buy shares at 10 per cent lower than the cut-off price in the initial public offering (IPO), according to the listing regulations. As a result, Walton's share price would stand at Tk 283 for the general shareholders.

"We are giving the general shareholders



an additional 10 per cent discount," Abul Bashar, chief financial officer of Walton, told The Daily Star.

This means, each share would cost Tk 252 for the retail investors.

As small investors have been affected in recent times due to the pandemic, the company has decided to provide the discount, Bashar said.

The electronics-maker has sent a letter to the Bangladesh Securities and Exchange Commission seeking approval to offer the lower price.

To implement the discount, Walton will have to offload another 1.69 lakh shares.

In total, the company would make 15.48 lakh shares available for general investors as it looks to raise Tk 39.3 crore from the public.

Another 13.79 lakh shares will be offloaded to the eligible investors for Tk 60.7 crore. After listing with the bourse, sponsors' shareholding would be 99.03 per cent, while the rest 0.97 per cent would be off-loaded.

Walton has a huge potential in the upcoming years, so it received a good premium during the bidding, said Partha Protim Das, its company secretary.

The cut-off price has been set by the bidding of eligible investors after a rigorous analysis, he said.

As the premium is high, the number of shares that would be offloaded is low, Das said.

"Such positive attitude is unprecedented in Bangladesh," said an asset manager requesting anonymity.

All issuers should follow Walton's lead and think of giving some relief to investors, he added.

Walton's foray into the local electronics market dates back to 1997, when it started importing black-and-white television sets.

Years later, it started assembling TV sets, along with motorcycles, and it continued until 2010, when it began manufacturing them.

Today, Walton is in manufacturing, retailing, designing and exporting of its products and appliances including air conditioner, freezer, multi-stage freezer and automobile.

It employs more than 20,000 people in its 22 production bases. It has the capacity to produce 10 million units, according to the company's website.

Realtors welcome budget but want cuts in registration fees



STAR BUSINESS REPORT

The proposed budget for the next fiscal year comes as a relief for real estate companies struggling to survive the coronavirus pandemic as it allows black money-holders to whiten their assets with full amnesty by investing in the sector.

"Both the industry and the economy will benefit greatly as a huge amount of value-added tax and registration fees will be generated if untaxed income is invested in the sector," said Alamgir Shamsul Alamin, president of the Real Estate and Housing Association of Bangladesh (REHAB).

However, the realtors urged the government to reduce registration fees from the existing 14-15 per cent to 5-6 per cent in light of the ongoing crisis.

According to various market players, the demand for apartments will increase by at least 30 per cent in the next fiscal year. During his budget speech last Thursday, Finance Minister AHM Mustafa Kamal assured that people would now be able to disclose any untaxed properties, including land, apartments, and residential complexes, without scrutiny between July 1, 2020 and June 30, 2021 if they pay 10 per cent tax.

Since many people became unemployed because of the recently concluded nationwide shutdown, the demand for renting or purchasing property has fallen, developers said.

"Considering the emergency situation,



the government made a befitting decision which could uplift the vulnerable economy," Alamin said.

Due to the recent nationwide shutdown, 85 of the 1,100 REHAB member companies incurred about Tk 886.12 crore in losses. If the losses of all members were tabulated, it would be around Tk 11,000 crore, according to REHAB Vice President Liakat Ali Bhuiyan.

There are many instances where a person legally earns money abroad but sends the funds back home through unofficial channels to evade taxes.

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Budget ambitious but doable: ICAB



STAR BUSINESS REPORT

The proposed budget is ambitious and challenging because of the coronavirus pandemic but the government would be able to implement it, according to the Institute of Chartered Accountants Bangladesh (ICAB).

Finance Minister AHM Mustafa Kamal has presented a Tk 568,000 crore timely and large budget for the next fiscal year, said Muhammad Farooq, president of the ICAB, during a virtual media briefing yesterday.

"The implementation of the proposed budget would be difficult but it is not

impossible," the president said.

The main challenge would be achieving the revenue generation target and getting private investment due to the shrinking aggregate demand amid the raging pandemic, the association said.

The finance minister's endeavour to boost private investment and create employments is welcoming, Farooq said, while reading out a written speech during the briefing.

The finance minister talked about widening the government's reliance on the domestic sources in FY21 in order to meet the budget deficit.

Kamal has proposed to borrow Tk 84,983 crore from the banking sector to finance the deficit budget.

In the current fiscal year, the government has borrowed from the banking sector nearly double the amount it originally targeted. Similarly,



the target on bank borrowing would overshoot as the fiscal year progresses, said Farooq.

"Because of the government's reliance on the banking sector, the private sector may be deprived of adequate financing. However, if the government spends the money properly for the development sector, the money would come back to the private sector through money circulation."

The government needs to boost economic activities in order to mitigate the impacts of the Covid-19 on the economy and create jobs for the unemployed populace, he said.

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FICCI calls for higher health allocation; BCI for measure for recovery from downturn

REFAVET ULLAH MIRDHA

A higher allocation could have been made for the healthcare sector considering the risks posed and inadequacies in infrastructure which became very much evident during the Covid-19 pandemic, according to the FICCI.

"We feel this GDP growth target of 8.2 per cent will be highly challenging," the Foreign Investors Chamber of Commerce and Industry (FICCI) said in a statement Friday.

The platform of foreign investors particularly appreciated some proposals such as reduction of corporate tax rate for non-listed companies from 35 per cent to 32.5 per cent, which it says would encourage industrialisation and attract foreign direct investment.

While this is a welcome change, this reduction should be extended to banking, telecommunication and tobacco sectors, it said.

The FICCI also appreciated a proposed increase in the tax-free income threshold and reduction of tax rate applicable for taxpayers other than companies and local authorities.

It also appreciated a reduction in advance tax on imported raw materials for manufacturing industries from existing 5 per cent to 4 per cent alongside simplification in processes of VAT on foreign services and acceptance of gas, water, electricity and telephone bills as tax invoice.

Allowing 80 per cent VAT rebate on transportation service as input credit is a good move, although this should have been extended to 100 per cent of the actual VAT paid for carrying VAT chargeable goods, the FICCI said.

However, the platform expressed concerns over some issues like limiting valid promotional expenses of companies to 0.5 per cent of disclosed turnover alongside overseas travelling expenditure to 0.5 per cent from 1.25 per cent.

This may increase the effective tax rate from anything between 5 per cent and 15 per cent depending on the company's size, it added.

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