

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY		
▲ 0.76%	▲ 0.06%	\$1,729.77	\$38.73	▲ 0.72%	▲ 0.75%	▲ 0.72%	▲ 0.04%	83.95	93.50	104.44	11.73		
3,964.28	6,821.81	(per ounce)	(per barrel)	33,780.89	22,305.48	2,684.63	2,919.74	BUY TK	SELL TK	84.95	97.30	108.24	12.33



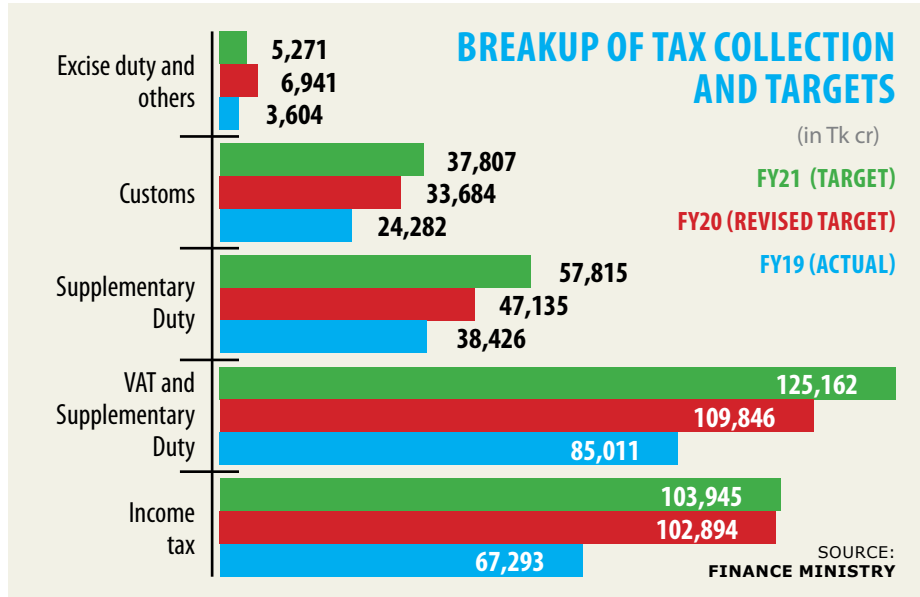
# Star BUSINESS

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## New VAT, SD measures looking like silver lining

**SOHEL PARVEZ**  
The revenue authority may get an additional Tk 11,000 crore next fiscal year because of the new value-added tax (VAT) and supplementary duty (SD) measures, according to an estimate by the National Board of Revenue (NBR).  
"We also expect to get nearly Tk 8,000 crore from normal growth of businesses," said a senior official of the NBR.  
The disclosure came as the VAT department has been assigned to collect 38 per cent of the NBR's target of Tk 330,000 crore for the next fiscal year.  
Analysts and taxmen said achieving the target would be impossible as the lockdown and wreckage in the economy already caused a drop in revenue collection.  
And the new VAT target is 14 per cent higher than the revised goal of Tk 109,800 crore set by the government for the outgoing fiscal year when overall VAT collection is unlikely to cross Tk 100,000 crore.  
Yet, the responsibility on the shoulders of VAT officials has increased further in the

next fiscal year.  
Together with collecting a portion of SD from the domestic trade, the NBR will have to log in 55 per cent of the total revenue goal from the two sources.  
To increase the collection of VAT receipts, the NBR hiked the prices of health-hazardous cigarettes by up to 5 per cent for each 10-stick pack in the low, high and premium segment, except the medium price segment.  
However, except for the low-price segment of cigarettes, the SD rates have been kept unchanged for the next fiscal year.  
Depending on price slabs, smokers will have to pay from 57 per cent to 65 per cent of SD for every 10-stick next fiscal year, up from 55 to 65 per cent in the outgoing fiscal year, according to the NBR.  
The official said the additional Tk 8,000 crore VAT and SD might come owing to the spike in prices of the tobacco products, including cigarettes and biri, a kind of handmade cigarettes used by the low-income groups.  
Cigarette is the biggest sources of VAT and SD and the revenue authority collected Tk 25,500 crore in fiscal 2018-19, up 16 per cent year-on-year.  
The collection was 30 per cent of the total VAT generated in fiscal 2018-19, according to NBR data.  
The increased SD on mobile phone usage from this fiscal year's 10 per cent



Measure	Amount
Hike in cigarette prices	8,000
Spike in supplementary duty on mobile use	1,500
Other measures	900
Excise duty increase on high-ticket account holders	300

to 15 per cent in fiscal 2020-21 is likely to bring in an extra Tk 1,500 crore revenue, according to the estimate.  
Mobile phones and SIM cards were the third biggest sources of VAT and SD after

## Relief for big investors as floor price lifted from block market

*But small investors left in the lurch*

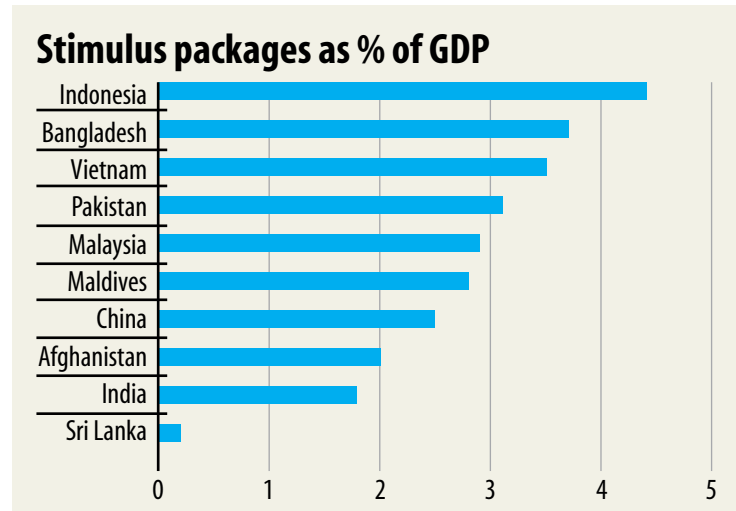
**AHSAN HABIB**  
The country's twin bourses yesterday withdrew the floor price from the block market allowing big investors to trade shares at rates lower than the existing ones in the main market.  
The block market is a platform of an exchange where a large number of stocks are traded in a single transaction at a negotiated price without affecting the index. The trading amount should be at least Tk 5 lakh.  
The new move, however, meant nothing for the small investors as the main market would still be ruled by the floor price.  
On March 19, the Bangladesh Securities and Exchange Commission (BSEC) imposed the floor price of all stocks by calculating their last five days' average prices to stop the index from falling amid the pandemic-induced rout. It was applicable for the block market as well.  
The initiative made the stock market illiquid as investors could not trade stocks below the floor price even at the block market.  
Subsequently, the turnover, one of the key indicators of the stock market, has dropped to Tk 60 crore on an average since the market opened after closure for more than two months owing to the shutdown imposed to flatten the curve on the deadly virus.  
Many institutional and foreign investors had criticised the regulator for the decision because they were unable to sell shares at the floor price, which was a bit higher than that the market-determined price.  
On this backdrop, the BSEC ordered the stock exchanges last week to scrap the floor price from the block market and it was implemented yesterday.  
"Now, big investors will be allowed to trade shares in the block market at 10 per cent lower than the floor price," said Mamun-Ur-Rashid, managing director of the Chittagong Stock Exchange.  
The decision was implemented to facilitate trading through the block market, he added.  
The move was taken so that big investors, except directors of the listed companies, can buy and sell stocks at lower than the floor price without affecting the index, said a top official of the Dhaka Stock Exchange (DSE).  
"We hope the turnover will go up in the block market thanks to the decision," he added.  
The decision would give some relief to the big investors, said a top official of a merchant bank.  
"But it does not mean anything to the small investors because the main market is still illiquid due to a lack of buyers."  
If a small investor faces any problem and tries to sell shares, it is simply not possible, he said.  
"The problems of the small investors would not be solved until the floor price lifted from the main market."  
Many stock investors are favouring the floor price but it would create a huge problem in the long-run for the market, a stockbroker said.  
"Investors are now happy to see an artificial increase in the price of shares in the portfolio. But it doesn't make any sense because they cannot sell them even if they need money to save lives."  
The news failed to bring any cheer to the market though. DSEX, the benchmark index of the DSE, dropped 3.02 points, or 0.07 per cent, to close the day at 3,964.28. Turnover rose 5.4 per cent to Tk 53.88 crore.  
Among the traded stocks, 27 rose, 24 declined and 247 remained unchanged.  
"Most of the stocks are not trading on most days because of a lack of buyers. It has been continuing since the floor price was introduced," said an asset manager.

## Bangladesh's stimulus package second highest among peer countries

*Experts see challenges in implementation*

**REJAU KARIM BYRON and MD FAZLUR RAHMAN**  
Bangladesh's stimulus packages aimed at mitigating the impact of the coronavirus pandemic are one of the highest among a selective group of countries in Asia, according to a government paper.  
The government has announced 19 stimulus packages amounting to Tk 103,117 crore since it reported the country's maiden cases of coronavirus infections on March 8.  
The combined support accounted for 3.7 per cent of the country's gross domestic product (GDP), according to the mid-term macroeconomic policy statement of the finance ministry.  
Among the select group of countries, Bangladesh only lags behind Indonesia in terms of stimulus packages compared to GDP.

The Southeast Asian country has announced stimulus packages worth 4 per cent of GDP.  
Vietnam has declared stimulus packages amounting to 3.4 per cent of GDP, Pakistan 3.1 per cent, Malaysia 2.8 per cent, the Maldives 2.8 per cent, China 2.5 per cent, Afghanistan 2 per cent, India 1.1 per cent and Sri Lanka 0.2 per cent.  
Bangladesh's stimulus packages have been provided in the form of low-cost loans to affected micro, small, medium and large industries and services, food security, social protection, special allowances and incentives as the pandemic-induced shutdown paralysed the economy, destroyed millions of jobs and created new poor.  
"The fiscal and financial package is the largest in the South Asia region," said Finance Minister AHM Mustafa Kamal in his budget speech on Thursday.



Amidst this unprecedented global crisis, the prime minister has announced several stimulus packages to stand by the poor and helpless people, keep the momentum in economic activities and bring back the trend in growth and development, he said.  
"These are akin to the bold steps she took to save the country during the Asian Financial Crisis

in 1997 and the Global Recession in 2009."  
Of the stimulus packages, Tk 5,000 crore went to the export industry, Tk 20,000 crore to the micro, small and medium enterprises, Tk 30,000 crore to large industries and services, and Tk 5,000 crore to the agriculture sector.  
Given the huge demand from enterprises, such allocation is not likely to be adequate.  
Enterprises with shortages of working capital, which, in turn, could force them to go for downward adjustment and operate with fewer people, said the Centre for Policy Dialogue on Friday.  
Timely disbursement of credit among the affected farmers, vegetable producers, small dairy and livestock farmers, fruit-growers and shrimp farmers are urgently needed, the think-tank said.

## Cement makers lament over unmet demands

**JAGARAN CHAKMA**  
Cement manufacturers are frustrated over their demands being left unaddressed in the proposed budget, from which they had hoped to avail some assistance to cope with losses

incurred for the pandemic.  
A 60 per cent cut in import duty on clinker and waiver of interest on existing loans were sought by the Bangladesh Cement Manufacturers' Association (BCMA).  
"We import clinker at \$42 per tonne but when we go to pay duty, customs always takes the cost price to be \$50 per tonne -- it is so unfair," said Md Alamgir Kabir, president of the BCMA.  
Subsequently, the association

called for the import duty on clinker, the sector's major raw material, to be brought down to at least Tk 300 a tonne from the existing Tk 500.  
Cement manufacturers are passing through hardship as they had zero sales during the countrywide closure in the last two-and-a-half months.  
Kabir spoke of the manufacturers having deposited about Tk 750 crore as adjustable advance income tax in the past seven years.

**(POD) payment On Delivery**  
সেলার স্টক ও ডেলিভারি টাইম নিশ্চিত করার পরেই পেমেন্ট করবে কাস্টমার  
MEGA deal (POD) ক্যাম্পেইনে চলছে এই পেমেন্ট মেথড সুবিধা। ২ থেকে ৭ দিনে নিশ্চিত ডেলিভারি  
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