

Experts call for ethical accounting

Say transparent record keeping can help countries recover from Covid-19

TAR BUSINESS REPORT

Professional integrity among accountants, fair information, accountability and transparent public finances are required to build a strong, resilient economy, according to various chartered accountants.

"The strongest and most resilient economies are those where people can make well-informed decisions with trust in the information provided to them by their leaders," said Robert Hodgkinson, an executive director of the Institute of Chartered Accountants in England and Wales (ICAEW).

Accountants will have to play a vital role for their respective countries to recover from the ongoing economic crisis brought on by the coronavirus pandemic.

They will have to ensure transparent, efficient and trusted information to help their nations recover, he added.

Hodgkinson made these comments while acting as keynote speaker at a webinar styled, 'Role of Chartered Accountants in Economic Recovery and Promoting Cross-Border Investments', held by the Institute of Chartered Accountants of Bangladesh (ICAB) yesterday.

While addressing the webinar, Salman F Rahman, private sector industry and investment adviser to the Prime Minister, said that Bangladesh needs to find a way out of the crisis while one such solution could be to strengthen cross-border trade through an innovate approach.

Besides, stakeholders will also play a crucial role in recovering the economic losses incurred by the coronavirus fallout.

ICAB's decision to organise this type of webinar was a timely initiative, Rahman said.

Chartered accountants (CA) are key to running cross-border trade and investments amid this unprecedented situation while auditors can also help things along by ensuring transparency in all sectors by following accounting principles.

"Small-and-medium enterprises should be given emphasis to help the country recover its losses rapidly," he added.

Technical skills, an ethical approach and integrity are important aspects for any professional accountant and considering the current situation, everyone, including CAs, must be extra careful with their conduct and judgment, said Manil Jaysinghe, president of CA Sri Lanka.

Jaysinghe emphasised on how an accountant's ethics and ability to make the right decisions have an effect on a nation's economic development while accurate record keeping helps businesses progress.

Accounting is a global profession that helps keep businesses safe from losses, according to the CA Sri Lanka president.

"Economies across the globe have been disrupted and businesses are threatened by the uncertainty and accountants have a vital role to play to address the issue," said Hodgkinson.

Behaving ethically often means having to make tough decisions. This entails putting public interest first and above and beyond all other interests, he added.

Citing some corrective measures taken by the UK amid the pandemic, Hodgkinson said that his government introduced unprecedented

economic measures to help businesses survive the crisis.

"Our profession is to help businesses and the overall economy stabilise and later recover from the ongoing pandemic," said In-Ki Joo, president of the International Federation of Accountants (IFAC).

Economic disruptions are not limited to any one country but instead, it is a global issue. Therefore, accountants should help economies recover by ensuring transparency in public amid the Covid-19 outbreak, Joo added.

According to the IFAC president, the multi-billion-dollar international trade market can be made even stronger and sustainable with help from accounting professionals that have integrity.

The pandemic is slowed down Bangladesh's economic activities and jeopardised the country's advancement in areas such as poverty reduction, said ICAB President Muhammad Farooq.

ICAB is making recommendations to the government on how to prepare an economic recovery plan and action programmes aimed at tackling the coronavirus fallout, he added.

Expert professionals from ICAB are analysing the Covid-19 impact on various sectors before making suggestions for strategy plans.

"We have the very important responsibility of building business confidence among stakeholders," Farooq said.

ICAB Vice-Presidents Sabbir Ahmed and Mohammed Forkan Uddin, among others, spoke at the session, which was moderated by Md Humayun Kabir, council member and former ICAB president.

Evaly taking orders for Gloria Jean's, BFC

STAR BUSINESS DESK

Online marketplace Evaly has recently started taking orders for Gloria Jean's Coffees and Best Fried Chicken (BFC) and delivering those through its Evaly Food Express (e-food).

Customers of the capital's Gulshan will get deliveries from the coffeehouse chain's Gulshan 1 and 2 outlets while of Dhanmondi from that area's outlet, according to a statement.

The BFC's customers will get deliveries from its 17 branches across the capital.

Shamima Nasrin, chairman of Evaly, signed agreements in this regard with FM Murshed Elahy, head of business at Navana Foods, a Bangladesh franchisee of

the Australia-based coffeehouse chain, and Ashraf Ud Dowlah, the BFC's consultant.

"People should stay home as much as possible at this time. However, the culture of taking food together with the family is also an important means of entertainment for food-loving Bangladeshis," said Nasrin.

Evaly is working hard to provide that service to customers through "contactless" food delivery while ensuring proper health care, she said.

"With the addition of these two companies, the list of mouthwatering foods available though Evaly has been enriched," she added.

The signing ceremonies were attended by Mohammad Rassel, managing director and chief executive officer of Evaly.



Shamima Nasrin, chairman of Evaly, and FM Murshed Elahy, head of business at Navana Foods, pose in front of the outlet of Gloria Jean's Coffees in Gulshan 2, Dhaka, after signing a deal recently. Mohammad Rassel, managing director of Evaly, was present.

US unveils tariffs on France over tech tax but delays collection

AFP, Washington

The United States on Friday unveiled heavy import duties on France in retaliation for the country's tax on American tech giants, but will hold off on collecting the fees to allow time for the dispute to be resolved.

The office of US Trade Representative Robert Lighthizer found France's digital services tax was discriminatory and "unfairly targets US digital technology companies," and will impose 25 per cent punitive duties on \$1.3 billion in French products.

However, it will suspend the tariffs until January 6, 2021 while discussions continue over the disagreement.

France approved the tax last summer on tech firms like Facebook, Amazon, Apple and Google, which were accused of moving their profits offshore to evade taxes. But in January, Paris suspended collection of the tax through the end of the year.

French cosmetics and handbags will be subject to the US tariffs, but champagne, camembert and Roquefort were spared, according to the final product list after USTR collected thousands of public comments on the retaliation plans.

The sides have been trying to negotiate a deal through the Organisation for Economic Co-

operation and Development that would address the policy dilemma of taxing profits earned in one country by a company based in another with a more favorable tax policy.

But the talks have not made much headway and were suspended due to the coronavirus pandemic. Meanwhile, more countries are considering following France's example.

Lighthizer said Thursday that the US "won't tolerate" unfair treatment, although he acknowledged that there is a problem with multinational corporations offshoring profits to avoid paying taxes. But he said the

French tax "didn't even do a clever job of veiling the fact that they were just trying to get into the pocket of US companies."

"A USTR investigation in January ruled the tax was "unreasonable" and threatened 100 percent duties on a potential list of \$2.4 billion in French goods.

Vitor Gaspar, head of the IMF's fiscal affairs department, told AFP on Friday that there is "a perception that firms that are extremely profitable, that act in the global sphere, are not paying their fair share of taxation," and called for an international agreement.



US Trade Representative Robert Lighthizer

Rice imports fall to four-decade low

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"As a result, the country sees carryover stock every year," said Md Shahjahan Kabir, director-general of the Bangladesh Rice Research Institute.

Rice production has grown by 600,000 tonnes annually since 2009 and the amount was higher than the annual increase in demand for rice by 3 lakh to 3.5 lakh tonnes owing to population growth.

"There is no need to think of import. We are producing more food than required," Kabir said.

Aromatic rice used for festivals and at hotels and restaurants is mainly imported now.

Nearly 39 lakh tonnes of rice were imported in FY2018-19. There would have been no problem had there been no import of the staple grain, said Agriculture Secretary Md Nasiruzzaman.

"Figures show that we are not only self-sufficient, but we also produced a large surplus in FY2019-20," said Subash Dasgupta, a former senior technical officer of the FAO.

"The major burning issue in this production is making the system sustainable. As of late, the current rice production system has become more unstable," he said in an email reply.

Earlier, he said, the major concern of production instability was associated with the unpredictability of monsoon.

"However, in 2017, we witnessed production vulnerabilities in all three rice growing seasons -- aus, aman and boro -- which pose alarming consequences," he said.

"A very important point to note is that the growth rate in rice production

has been decelerating."

For example, Dasgupta said, rice productivity rose by 2.3 per cent per annum in the first decade of the new millennium and slowed down to 0.87 per cent in the past decade from 2011 to 2019.

A rice self-sufficient country should have continuously increasing growth in rice productivity, alongside a competitive and stable production system, Dasgupta said.

Due to the current coronavirus pandemic, a significant percentage of the population will fall below the poverty line, resulting in increased rice consumption among them.

According to IRR Representative Bhandari, there are challenges in future rice production such as flood, drought, salinity, cold and heat.

Agriculture Secretary Nasiruzzaman said the government has prepared a rice vision to produce enough to meet the national requirement by 2050.

The government targets to produce 5 crore tonnes of rice under the vision.

The vision lays out ways how the country will increase production in line with the population growth against the backdrop of a decline in farmland. "One of the ways would be to improve yield by variety replacement," the secretary said.

The Rice Vision prepared by the BRR in 2015 said the population of Bangladesh will reach 21.54 crore in 2050 when 4.46 crore tonnes of rice will be required.

The vision paper said several hurdles, such as increasing population, decreasing resources and rising climate vulnerability, can stand in the way of achieving the target.

Three major interventions -- accelerating genetic gain, minimising yield gap and curtailing adoption lag -- are proposed to break the barriers to achieve the target.

Major challenges facing the implementation of the interventions include shrinking net cropped area, scarcity of water for irrigation and increasing pressure on soil fertility, the paper said.

BRR DG Kabir said various improved varieties of rice have been released in recent years. In-bred varieties capable of withstanding stresses such as drought, flood and salinity have also been released. "We have several draught-, flood- and salinity-tolerant rice seeds already in the field. We have replacement varieties of mega varieties," he said, adding that the target has been set to attain 25-30 lakh tonnes of surplus rice.

Digital cattle market for all Eid needs

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The platform was inaugurated by Local Government, Rural Development and Co-operatives Minister Md Tazul Islam during an online ceremony.

Commerce Minister Tipu Munshi, Fisheries and Livestock Minister SM Rezaul Karim, State Minister for ICT Division Zunaid Ahmed Palak and FBCCI President Sheikh Fazle Fahim also attended the event.

E-CAB President Shomi Kaiser and Bdfa President Mohammad Imran Hossain also spoke on the occasion.

Engage micro lenders to disburse stimulus loans among SMEs: Sanem

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While Bangladesh's economic activities will not return to full-swing until the outbreak is brought to heel, East Asian countries like Vietnam are running at full steam after successfully controlling the spread of the deadly pathogen.

Addressing the discussion, Sayema Haque Bidhisha, professor of economics at the University of Dhaka, said that inward remittance rose sharply in recently times as expatriates are transferring all their earnings back home with a view to returning to the country.

"However, their return will also create challenges for the economy as they will

almost certainly head back to their villages and remain uninvolved in economic activities," said Bidhisha, also the research director of Sanem.

Besides, the other low-income people left Dhaka to save money on rent while some have even lost their jobs.

"So, this sector should be brought under the social safety net," she added.

Bidhisha also pointed out that SMEs are in not in any position to pay a 4 per cent interest on loans from the stimulus package and so, the government should ease some of the criteria. Mahtab Uddin, research fellow, and Eshrat Sharmin, research associate, also spoke at the discussion.

EBL to offer Bangla QR payments

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Bangladesh Bank has recently drawn up relevant guidelines for the payment system, terming it Bangla QR.

All lenders including Eastern Bank will have to follow the application while introducing the payment method.

A few lenders and a mobile financial service have already introduced the QR payment system in the country but Eastern Bank's effort will give a boost to the financial sector to popularise the digital transaction mode, said another official of the lender.

He explained that nearly 80 per cent of the debit and credit cards issued by banks were now based on the Visa network.

Banks issued 1.93 crore debit cards and

15.99 lakh credit cards as of April this year.

Eastern Bank, one of the top credit card issuer banks in the country, will start the payment system initially by adding 2,000-3,000 merchants to its QR payment system.

The lender has so far issued a total of 5 lakh cards, including 1.60 lakh credit cards. Clients will make payments at places ranging from outlets of different brands to grocery shops.

Clients will have to use EBL SKYBANKING, the financial application of Eastern Bank, to settle transactions through the QR payment method.

Any bank can easily launch the service by way of completing the QR issuing certification.

Indian economy's medium-term outlook remains uncertain: RBI Governor

REUTERS, New Delhi

The medium-term outlook for the Indian economy remains uncertain with supply chains and demand yet to be restored fully while the trajectory of the coronavirus spread and the length of its impact remain unknown, Reserve Bank of India Governor Shaktikanta Das said on Saturday.

According to most estimates, the Indian economy will register a record contraction of over 4.5 per cent in the current fiscal year that started on April 1 due to the pandemic.

Starting late March, the country was placed under one of the strictest lockdowns in the world for over two months. Since early June, the government has started easing restrictions to help some revival in the economy even though the number of infections in the country continues to rise.

"The Indian economy has started showing signs of getting back to normalcy in response to the staggered easing of restrictions," Das said in an address to an online forum.

A man of success, a man of values

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Latifur Rahman was the president of the MCCI for seven times.

"My father always tried to take the country forward with the ethical business," said Simeen Hossain, the eldest daughter of Rahman and also the managing director of Eskayef Pharmaceuticals Ltd.

She said the legacy of Latifur Rahman would continue for generations. "It was a matter of pride for Latifur Rahman to represent Bangladesh to international arenas," she said. She thanked the MCCI for naming a lounge of the country's oldest chamber after the name of Rahman.

MCCI President Nihad Kabir moderated the meeting. FBCCI President Sheikh Fazle Fahim also spoke.

Stimulus packages fall flat for implementation delays: ex-DCCI presidents

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Among the former DCCI presidents, Benjir Ahmed suggested that the government bring reforms in policies so that Chinese investment alongside work orders for the garment sector could quickly reach Bangladesh.

For instance, 21 types of permissions are needed for starting a garment factory in Bangladesh which is very discouraging for entrepreneurs, he said.

Ahmed suggested immediate implementation of the stimulus packages so that nobody ended up losing their jobs.

The Italian incident will have a negative impact on international trade of Bangladesh, said another former DCCI president, Sayeeful Islam. He also advocated for exploring opportunities in China.

Aftab Ul Islam suggested that entrepreneurs meet their financial needs from the capital market so that the pressure on the banking sector could reduce significantly.

If the entrepreneurs take money from the capital markets for investment rather than from the banking system, the percentage of nonperforming loans will also decline.

He also suggested that the government go for low cost borrowing from external sources to reduce dependence on the banking sector.

MH Rahman said the reduction in inflow of foreign remittance would usher a financial crisis which would affect the demand side of the consumers.

Decreasing demand will affect production in the factories and thus lead to unemployment. So Bangladesh needs to attract foreign direct investment from China now, he said.

Hossain Khaled, managing director of the Anwar Group of Industries, said borrowing past the predetermined target by the government from the banking system would affect the money flow to the private sector investors.

He also suggested that the government go for low cost borrowing from foreign sources to reduce pressure on the banking sector.

Abul Kasem Khan suggested that the government take measures to avoid a repetition of the return incident. Such incidents tarnish the image of the country, he said.

"Non-implementation of bailout packages is our collective failure and let us solve this issue collectively," he said.

Asif Ibrahim said the 11 per cent stock market capitalisation to GDP ratio of Bangladesh was the lowest among South Asian nations.

So the ratio of nonperforming loans is also high here, he said, adding that supplying money to the cottage, micro and small enterprises was a must if the country wanted to make the economy vibrant again.

Rashed Maksud Khan called for completing the construction of an effluent treatment plant at the new leather estate in Savar so that local exporters could get proper prices from foreign buyers from the sale of leather.

"We need to take measures to protect our overall employment as some 16 million people have already lost their jobs," said Masrur Reaz, chairman of Policy Exchange, a local think-tank.

It took seven years to revive the global economy after the recession of 2007 and 2008, he said.