



Romo Rouf Chowdhury Bank Asia reelects vice chairman

STAR BUSINESS DESK Romo Rouf Chowdhury has been re-elected vice chairman of Bank Asia at the 432nd meeting of the bank's board of directors recently.

An engineering graduate of Durham University, Chowdhury is one of the sponsor shareholders as well as sponsor directors of Bank Asia and holds directorship of various sister concerns of Rangs Group and Sea Fishers Group, says a press release issued yesterday.

He is currently the chairman of Rancon Agro Machineries, Rancon Electronics, Rancon Infrastructures and Engineering, Rancon Car Hubs and Rancon Hospitality. He is also the vice chairman of Rancon Holdings, Rancon Motorbikes and Ranks Petroleum.

Besides, Chowdhury is managing director of Rancon Motors, Rangs, Rangs Properties, Rancon Automobiles, Ranks Telecom and 10 other companies.

Decathlon Bangladesh donates 1 lakh fabric masks

STAR BUSINESS DESK Global sports retailer Decathlon Bangladesh has donated 1 lakh fabric face masks among public administrative offices.

The offices include the Dhaka north, south and Chattogram city corporations, Bangladesh Army, Chattogram Metropolitan Police, Industrial Police, Bangladesh Land Port Authority, Bangladesh Administrative Service Association, Bangladesh Export Processing Zones Authority, Bangladesh Garment Manufacturers and Exporters Association, and International Centre for Diarrhoeal Disease Research, Bangladesh.

Decathlon makes the masks in Bangladesh for export to France through suppliers including Tarasima Apparels, a concern of Bitopi Group. It has been sourcing from Bangladesh for over 15 years through its Uttara office. It is present in over 60 countries, says a press release issued on Sunday.

Apple wins EU court battle in 13-bn-euro tax case

AFP, Brussels

A European court on Wednesday annulled an EU order that Apple repay Ireland 13 billion euros (\$15 billion) in back taxes, in a major legal setback for Brussels.

The commission's historic ruling against Apple was delivered in August 2016 by Competition Commissioner Margrethe Vestager in a shock decision that put Europe on the map as a scourge of Silicon Valley.

The iPhone-maker and Ireland had appealed the order, which Apple CEO Tim Cook slammed at the time as "total political crap".

Vestager was derided as Europe's "tax lady" by US President Donald Trump because of the case, as well as a series of antitrust fines she imposed on Google.

The clear cut decision by the EU's general court could now face another appeal at the top European Court of Justice, with a decision expected no earlier than 2021, but Vestager initially said only that Brussels was studying the judgement.

The EU in 2016 accused Ireland of allowing Apple to park revenue earned in Europe, Africa, the Middle East and India and sparing it almost any taxation.

Brussels said this gave Apple an advantage over other companies, allowing it to avoid Irish taxes between 2003 and 2014 of around 13 billion euros (\$14 billion).

EU officials argued that constituted illegal "state aid" by Ireland.

But the EU court said the commission "did not succeed in showing the requisite legal standard that there was an advantage".

The commission "was wrong" to declare that Apple units based in Ireland "had been granted a selective economic advantage and, by extension, state aid."

"Apple welcomed the decision and reiterated that the profits in question were always intended to go to the United States and not Ireland.



Women wearing masks to curb the spread of the coronavirus stand near new Apple store prepared for its opening in Beijing, China.

"This case was not about how much tax we pay, but where we are required to pay it," an Apple spokesman said in an email to AFP.

"We're proud to be the largest taxpayer in the world as we know the important role tax payments play in society," Apple added.

Dublin also hailed the decision. The government said it had "always been clear" Apple received no special treatment, adding: "The correct amount of Irish tax was charged... in line with normal Irish taxation rules."

Vestager said the EU would "carefully study the judgement and reflect on possible next steps," which could include an appeal.

"The Commission stands fully behind the objective that all companies should pay their fair share of tax," she added.

Some observers have expressed doubts on the Apple case, wondering whether the EU was right to use antitrust law to crack down on tax optimisation strategies by multinationals.

In similar cases, the same EU court struck down an order by Brussels that Starbucks pay 30 million euros in back taxes to the Netherlands. In a separate decision, however, it said Fiat must pay roughly the same amount to Luxembourg.

Airlines down on knees pleading for help from passengers

AFP, Paris

Airlines are pleading for help from their clients as they face paying customers back for flights cancelled due to the coronavirus pandemic that could starve them of cash, the industry said Wednesday.

"We are asking passengers for help... that's true, and we're doing it on our knees," the head of the International Air Transport Association (IATA), Alexandre de Juniac said on French TV and radio station BFM Business.

Coronavirus lockdowns forced most flights to remain grounded and air travel is recovering slowly, putting airlines in perilous financial shape.

Airlines operating flights to and from Europe are supposed to reimburse passengers for cancelled flights within two weeks under EU law, but with the support of France and a number of other countries, airlines are offering vouchers or making clients wait sometimes much longer to get their cash back.

Consumer groups have cried foul and the European Commission has opened a case against 10 EU member states including France for failing to enforce the regulations.

De Juniac said the industry was still trying to convince the European Commission to allow it use vouchers or give it more time to reimburse passengers.

"Why are we asking for this? Not for fun. Our business is more to pamper passengers than to pose problems for them, in particular financial problems," he said.

But "the cash flow of airlines is in an apocalyptic situation," he added.

IATA said last month it expected the world's airlines to suffer \$84 billion in losses this year due to the coronavirus pandemic.

While few have so far gone bankrupt, airlines have begun to shed tens of thousands of employees and several countries have stepped in to aid or rescue carriers.

Kabir reappointed BB governor after much ado

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the financial institutions division said in a notice. Kabir's prime task now is to ensure smooth implementation of the Tk 103,117 crore stimulus packages to put the economy back on track again from the ruins caused by the pandemic. The central bank has been tasked with administering most of the packages.

Kabir studied at Faujdarhat Cadet College for his secondary and higher secondary education, followed by his undergraduate and graduate studies at the Department of Economics of the University of Chittagong.

He was appointed as the Bangladesh Bank governor on March 16, 2016, for four years after Atiur Rahman resigned amid a huge row over the heist of \$101 million from the Bangladesh Bank's account at the US Federal Reserve Bank.

On February 16, the government extended his tenure by three months and 13 days so that he could stay on until he is 65. His tenure expired on July 3.

Shops now pinning all hopes on Eid-ul-Azha

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"Many are still too afraid to leave their houses, let alone go shopping," said Shahrukh Amin of Almira, another fashion brand.

As the unprecedented collapse in sales continues to bleed businesses, space owners expressed generosity, standing by tenants by reducing or waiving part of the rent. Even after that, many retailers are shutting stores or squeezing businesses to sustain.

"We have to trim the size of businesses for a year," said Amin, who accommodated two more brands in his space on Banani-11 to make it a multi-designer store.

Operators of 10-15 per cent shops are closing outlets because of losses in sales and high rent, said NASOB President Md Helal Uddin.

"Businesses have been very bad. None is buying out of impulse," he said.

Now, shop operators are looking at the Eid-ul-Azha festival to regain the losses they have incurred since the outbreak of the coronavirus, which was first reported in the country on March 8.

The second-biggest festival of Muslims is ranked the third-biggest shopping season after Eid-ul-Fitr and Pehela Baishakh, the first day of Bangla calendar year.

The deadly virus dashed the dreams of good sales in the first two festival seasons.

The coming Eid-ul-Azha remains the last hope for the year. "We expect sales will increase marking the Eid. We will be able to recover the losses to some extent if the government extends the shopping time by two hours," Helal Uddin said.

Earlier this week, the NASOB appealed to the public administration ministry seeking an extension for shop opening hours to 10:00 am to 9:00 pm from 10:00 am to 7:00 pm now. The association urged the government to grant the extended opening hours from July 20.

Farhana Nazira, an owner of Farhana Fashion, said sales would increase if the government allows them to keep the door open until 9:00 pm ahead of the festival.

The entrepreneur, who has a showroom in Mirpur-1, is aware of the health risk but added the risk of spreading the virus persisted as shops are open until 7:00 pm. "We will be able to recover some losses if we are allowed to keep stores open for two more hours," she said.

"We will pass lean seasons for a few months after Eid. As a result, many would have to surrender spaces after Eid unless they can make some sales during the festival."

Paris's struggling shops brace for muted sales season

REUTERS, Paris

Usually thronging as summer sales kick off, Paris' Printemps department store is among French retailers bracing for a fall in bargain hunters and revenues this year as the coronavirus outbreak keeps tourists away, further hammering the sector.

Clothing chains and department stores across the world have been hit hard by closures during lockdowns. In France, retailers were already suffering after transport strikes in January.

Pierre Pelarrey, who runs Printemps' flagship store in central Paris, a magnet for foreign shoppers, said business was likely to be half what it was this time last year.

"We know we're not going to have international clients," he said.

France's official bargain season runs from July 15 until Aug. 11, although many stores have already started promotions in recent weeks, with up to 50 per cent or even 70 per cent off prices.

One bright spot was the return of some French shoppers, Pelarrey said, with many of them more motivated than ever.

"After coming out of lockdown, people that have come to the store are really buying. One out of two will buy something," he said.

Pandemic leaves plastic goods exporters in a bind

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According to the BPGMEA, the sector's sales is growing by about 20 per cent every year on the back of spiralling demand from domestic and export markets.

The association estimated, domestic market sales hit Tk 30,000 crore in fiscal 2018-19, up from Tk 25,000 crore in the previous year. Pran-RFL Group, which sends plastic goods to 60 countries, including Australia and EU nations, have failed to receive the expected amount of export orders due to global impact of coronavirus, said Kamruzzaman Kamal, director for marketing of the group.

Bangladesh produces world-class household plastic products and RFL exports different items, including household items, bathroom fittings, kitchen sink and medical kit, he said. He said he is hopeful that the sector will get back to its growing momentum as soon as the pandemic ends.

GP profit slips amid Covid-19 fallout

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Market sources say as all telecom carriers reduced data price following a government request after the coronavirus pandemic hit the country, data earnings were impacted.

In the early days of the lockdown, which began on March 26, it was tough for the users to top up mobile phones as shops had to be shut owing to the movement control order. As a result, earnings from voice call also declined for all operators.

Per month earnings per customer came down to Tk 146 for GP, from Tk 159 during the same period last year.

Despite the challenges, the carrier managed to add 90 lakh users to its 4G network during the quarter to end at 1.52 crore. It set up 132 new 4G/LTE sites in the last three months, bringing in 77.1 per cent of the population under the coverage of the fastest data network.

Amusement parks desperate to welcome visitors again

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"With the income made during the two festivals, we can meet operational expenses for a whole year," he said.

Dinajpur's Shoppopuri, one of the oldest private-sector amusement parks in Bangladesh, has been struggling to pay the salaries of its 35 staff members since late March.

"It's a very difficult time for us," said Md Delwar Hossain, the park's managing director.

To create a modern entertainment and tourism park, more than Tk 100 crore needs to be spent, according to industry insiders. Such complexes are typically set up with bank loans.

"Although we are out of income, we have to pay bank loans instalments every month," said Prabar Kumar Shaha, managing director of the Dream Holiday Park in Narsingdi.

The park was opened in 2012 and currently employs about 300 people with a daily footfall of 1,000. Although the owners have not laid off any of staff members yet, they have been paying 50 per cent of their salaries with full festival bonuses for the last three months.

"The district administration can supervise us while allowing us to operate our parks. Other than our losses, the government is also losing a huge amount of revenue from the parks," Shaha said, adding that they also provide a good amount of tax to the local administration.

The park pays Tk 10-15 lakh in value-added tax each month.

The government also charges 7.5 per cent VAT on ticket sales and 15 per cent VAT on food.

On May 10, the BAAPA had written to the state minister of civil aviation and tourism to allow parks to resume operations.

They also previously wrote to the finance minister to allocate funds for the sector in the budget for fiscal 2020-21.

The association said they have yet to receive any directive from the government in this regard despite all sorts of requests.

"When we sought permission from the district administration, they said they could not do anything without consent from the concerned ministries," said an executive of an amusement park.

However, Md Mohibul Haque, senior secretary of the civil aviation and tourism ministry, told The Daily Star that the ministry sent a letter to the deputy commissioner's office asking it to allow the amusement park in Savar to open their doors if the situation is deemed to be under control.

"We didn't close these parks. However, for the request of the park operators, we sent a letter to Dhaka district authority today (yesterday) as we get requests from only the authority of this district," Haque said.

Until 5 pm yesterday, the Dhaka district administration had yet to receive a response from the ministry, according to Md Shahidul Islam, deputy commissioner of Dhaka district.

More than 20,000 people are employed by the 100-odd privately-owned amusement parks in Bangladesh.

Table with 4 columns: দপত্র, সংশ্লিষ্ট বিষয়, দপত্র উল্লিখিত তারিখ ও সময়, সংশ্লিষ্ট তারিখ ও সময়. Includes details about the 13th National Finance Commission report.

Tk 40,000cr low-priority projects to be pushed back

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The government is likely to face a severe revenue crunch this fiscal year, as it did last year. This can't all be made up by borrowing from the scheduled banks or the Bangladesh Bank without adverse consequences, said Zahid Hussain, a former lead economist of the World Bank office in Dhaka.

It is good to know that the finance division has started to prioritise ADP projects to identify areas of expenditure savings. The timing is commendable because it will not be possible to get any mileage from these efforts without an early start.

"I believe a fairly large amount can be saved without causing any major disruption to the development process. It is important to keep in mind that the development process may also be disrupted if the government does not have enough funds to finance their operating expenditures."

Development expenditure fell to a 27-year low in the just-concluded fiscal year because of the coronavirus pandemic.

Development activities almost halted after the government was forced to implement a countrywide shutdown from March 26 to rein in the rising cases of coronavirus infections, causing ADP implementation to virtually collapse in the following two months, when spending typically heats up to show a flattering result for the full year.

Subsequently, the ministries and divisions ended up spending Tk 161,000 crore in fiscal 2019-20, which was 80.18 per cent of the total allocation, said a senior official of the Implementation Monitoring and Evaluation Division of the planning ministry.

This was the lowest ADP implementation rate since fiscal 1993-94 and the second-lowest since the 1980s, for which official statistics were available.

Table with 5 columns: ক্র. নং, পত্রের প্রকার, পত্রের বিষয়, পত্রের মতামত, সিদ্ধান্তের তারিখ (সম্পর্কিত ক্ষেত্র). Includes details about the 13th National Finance Commission report.