

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.71%	▼ 0.72%	\$1,870.49	\$44.96	▲ 0.65%	▼ 0.42%	▲ 1.3%	▲ 0.44%	83.95	98.47	110.59	12.62
4,845.09	8,350.40	(per ounce)	(per barrel)	43,882.25	25,527.37	2,813.01	3,377.73	BUY TK	102.27	114.39	13.27
								SELL TK			



Star BUSINESS

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Cargo handling at Ctg port rises to seven-month high as import picks up

DWAIPAYAN BARUA, Ctg

Bangladesh's global trade pulled itself out of the debris left in the wake of the coronavirus pandemic aided domestic consumption, taking the volume of cargoes handled by the Chattogram port in October to a seven-month high.

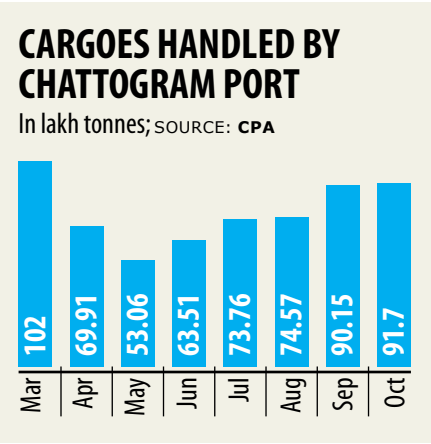
Official data showed that the improvement came in the last four months to October, compensating for a drastic fall when the pandemic was at its peak in Bangladesh.

The import and export trade had started experiencing a decline since January after the coronavirus disease was reported in China, slowing cargo handling by the port. It slightly improved in March after Chinese factories and ports opened in late February.

But when the virus spread through Europe and the US, which are major destinations of Bangladesh's garment exports, the merchandise shipment crashed down in March.

The biggest blows to trade Bangladesh carries out with countries around the globe came in April and May.

But with the reopening of the economy, businesses and industrial units from June, the two-way trade began growing again, as



evidenced by the cargo handling at the port in the first four months of the fiscal year. The country's largest seaport handled 91.70 lakh tonnes of bulk and containerised inbound and outbound cargo in October, up from 90.15 lakh tonnes in September.

October's handling volume was the highest since April, data from Chattogram Port Authority showed. In March, a total of 1.02 crore tonnes of import and export cargoes were handled by the port.

Port users and businesses credit the rising demand for raw materials and commodities to increased business activities after the reopening of the local economy and, to some extent, the global economy, for the increase in the cargo handling.

The transport of import cargoes through the port climbed during the period.



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Denim Expert: a champion in sustainability

The company's Managing Director Mostafiz Uddin believes more partnerships mean more sustainability

REFAYET ULLAH MIRDHA

Despite facing numerous work order cancellations and subsequent suspension of most exports due to the ongoing coronavirus pandemic, Denim Expert Ltd did not lay off any of its workers.

The 2,000 people employed by the Chattogram-based company did not face any salary reductions either, said Denim Expert Ltd Managing Director Mostafiz Uddin.

Even during the two-month "general holiday" that began on March 26, when all factories were closed as a part of the government's measures to curb the spread of the Covid-19, the entrepreneur managed to regularly pay his worker's salaries, festival bonuses and other allowances.

And considering that the garment sector is going through tough times, he urged international buyers to pay their local suppliers in a timely manner in order to help the industry survive the pandemic.

Denim Expert, a niche denim and jeans maker, was one of the major victims of work order cancellations but still, Mostafiz did not lose heart even after facing one of the biggest upsets in his career.

For extraordinary leadership in sustainability and inclusivity in the apparel supply chain, the World Economic Forum (WEF) recently made an honourable mention of Denim Expert in its "New Champion" award category.



Denim Expert Managing Director Mostafiz Uddin has managed to continue paying salaries, festival bonuses and other allowances to his employees despite facing numerous work order cancellations prompted by the coronavirus pandemic. He urges all international buyers to pay local suppliers on time.

A global advocate and renowned figure in apparel sustainability, Mostafiz aims to export \$100 million-worth denim products in the next five years.

In an exclusive interview with The Daily Star, Mostafiz said it was still possible to achieve his \$100 million export target with his current annual export receipts of \$20 million as he has shifted away from traditional business models after experiencing the Covid-19 fallout.

The visionary entrepreneur shared his experiences, views on traditional international business models and future plans for his business during the discussion.

Primarily, more partnerships would increase the tendency of shared responsibility, transparency and accountability towards the relationship between buyers and manufacturers for sustainability in business, Mostafiz said.

Two new deputy governors appointed



Kazi Sayedur Rahman and AKM Sajedur Rahman

STAR BUSINESS REPORT

The government yesterday appointed two new deputy governors to the central bank.

Bangladesh Bank's Executive Director Kazi Sayedur Rahman and Rajshahi Krishi Unnayan Bank's Managing Director AKM Sajedur Rahman Khan have been recruited for the posts, according to two separate circulars issued by the finance ministry.

The duo will serve the banking regulator in the posts until they turn 62.

Sayedur will hit the 62 years' mark on Jan 1, 2025, and Sajedur on Feb 1, 2024. Sayedur started his career with the central bank in 1988 as an assistant director.

He was promoted as general manager for the foreign exchange reserve and treasury management department of the central bank in 2011 and executive director in 2016.

He completed BCom (honours) in accounting and MCom from Dhaka University.

Sajedur was promoted as the managing director of Rakub last year.

Prior to this appointment, he was the deputy managing director of Sonali Bank. He completed his graduation and post-graduation in economics from Jahangirnagar University.

With the addition of Sayedur and Sajedur, the banking watchdog now has four deputy governors.

Bangladesh loses \$703m a year to tax abuse by multinationals, individuals

Says the State of Tax Justice 2020 report

STAR BUSINESS REPORT

Bangladesh is losing more than \$703 million every year because of tax abuses committed by multinational corporations and private individuals, according to a new report.

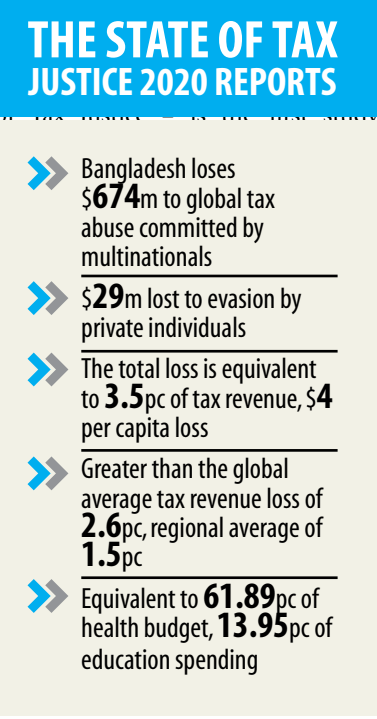
The State of Tax Justice 2020 report showed that the global tax abuse by multinational corporations costs the country \$674 million annually. Another \$29 million is lost due to tax avoidance by the individuals.

The loss is equivalent to 3.5 per cent of total tax revenue of Bangladesh, 61.89 per cent of the health budget and 13.95 per cent of the education spending.

In South Asia, Bangladesh is behind India, which loses \$10.32 billion and Pakistan, which loses \$2.53 billion, to tax evasions every year.

Sri Lanka loses \$104 million, Nepal \$9.26 million, the Maldives \$686,744, and Bhutan \$88,818.

The inaugural edition of the State of Tax Justice – an annual report by the Tax Justice Network on the state



While higher-income countries lose more tax to global tax abuse, the report shows that tax losses bear much greater consequences in lower-income countries.

Higher-income countries altogether lose over \$382 billion every year, whereas lower-income countries lose \$45 billion. However, lower-income countries' tax losses are equivalent to nearly 52 per cent of their combined public health budgets. In contrast, higher-income countries' tax losses are equivalent to 8 per cent of their combined public health budgets.

Assessing which countries are most responsible for global tax abuse, the State of Tax Justice 2020 provides the strongest evidence to date that the greatest enablers of global tax abuse are the rich countries at the heart of the global economy and their dependencies – not the countries that appear on the EU's highly politicised tax haven blacklist or the small palm-fringed islands of popular belief.

Zeal for rosy rankings could end up gaming the system

Say speakers at PPRC meeting

STAR BUSINESS REPORT

Development and wellbeing cannot be realised by indicators alone because tokenism and fraudulent statistics could be at play, said a private sector specialist and economists on Saturday.

Their comments came at an "Ajker Agenda Episode-02" meeting organised virtually by the Power and Participation Research Centre (PPRC) on "The Politics of Development Indicators".

The indicators of the World Bank's Ease of Doing Business Index were formulated to reduce harassment faced by businesses, said Syed Akhtar Mahmood, a former lead private sector specialist at the World Bank Group.

But the scope remains for the figures to be misused just for the attainment of upgraded rankings with no real improvements being brought about in business environments, he said. When a country sees that its ranking in one indicator is almost the same as that of others, it might try to focus on making improvements in the indicator to move up the index, he said.

But the reality for businesses might not develop through the enhancement of that indicator alone, said Mahmood, pointing

out that such attempts were termed "gaming the system".

So, the focus should not be to attain a higher score in an indicator but to improve the real scenario for entrepreneurs, he said, adding that indicators should be taken into consideration for clues as to where the focus should be.

Bangladesh's urban guardians and political powers put emphasis on visible developments rather than on sustainable quality development, said Prof Adnan Morshed, executive director of the Center for Inclusive Architecture and Urbanism at Brac University.

There is a lack of consensus among all parties on development issues, with each party taking on a different viewpoint, he said.

In order to attain real development and wellbeing, convergence is required at a single point alongside mutual understanding and conversations irrespective of the differences among political parties, he added.

The needs of small and medium enterprises (SMEs) and the harassment they face are different compared to those of their bigger counterparts, said Hossain Zillur Rahman, executive chairman of the PPRC.

NBR opposes relaxing VAT rules for weak firms

STAR BUSINESS REPORT

The revenue authority has opposed a proposal from the Bangladesh Investment Development Authority (Bida) on relaxing rules for payment of value-added tax for the financially weak companies.

The National Board of Revenue (NBR) said VAT is an indirect tax and companies collect them from consumers against the sales of goods and services to deposit to the state coffers.

"As such, it is not logical to ease the VAT rate for financially-challenged companies," said the NBR's VAT wing in its opinion.

The view came after the Bida sought to incorporate such a proposal to ease the process of doing business in the country.

The investment promotion agency also asked the revenue administration to relax the provision of VAT returns. It proposed a quarterly VAT return submission period instead of monthly.



The VAT department said companies have to submit VAT returns monthly after depositing the VAT to the state coffers. It will not be wise to introduce a return submission for every three months for the sake of revenue collection, said the revenue collector.

"We, however, agree with the proposal of expediting the refund process of VAT paid in excess by firms. And we are working on that," said an official of the NBR.

The Bida has also called for issuing business identification numbers for VAT to the companies in Dhaka and Chattogram in two days. The NBR said it gives the VAT registration in three working days.

Md Billal Hossain, the executive member for investment environment services of the Bida, said the Bida proposed for bringing changes to some provisions of the VAT rules.

"We hope that the NBR will share its view in the next meeting," he added.

EBL's profits double

AHSAN HABIB

Eastern Bank's profits almost doubled year-on-year in the July-September quarter despite lower interest income amid the coronavirus pandemic.

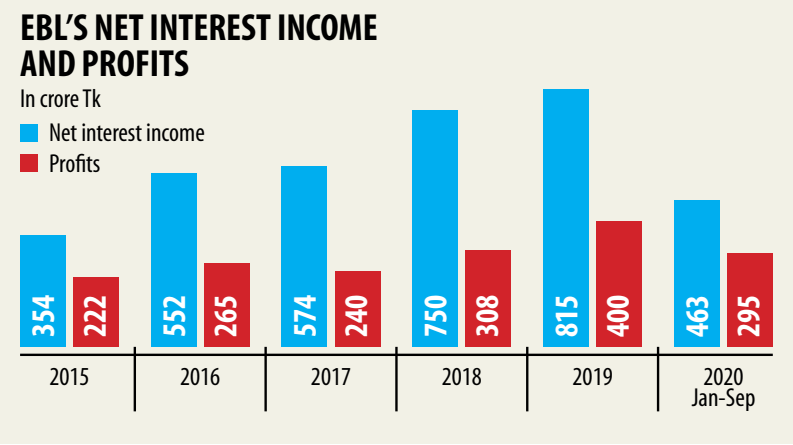
Analysis of the quarter shows that the listed lender's profits had soared 92 per cent to Tk 138.05 crore in the quarter. Similar net profit comparison of the past nine months shows that it has risen 28 per cent, well over the industry's 3.49 per cent.

The bank's profits rose riding on its higher income from stock market investments, investment in government securities, and lower provisioning.

"The interest income was normal," said EBL Managing Director and CEO Ali Reza Iftokhar. "This year, our interest income was low due to the 9 per cent lending rate."

The lender's net interest income dropped 24 per cent to Tk 151 crore in the quarter while that of the industry by 25 per cent.

In the past nine months, Eastern Bank's net interest income declined



27 per cent year-on-year to Tk 463 crore.

Income from investments doubled to Tk 128.86 crore in the third quarter of the year.

Its provisioning stood at Tk 3.72 crore in the negative. It was Tk 58.14 crore in the same period the previous year, shows the financial report.

"We have kept enough provisioning for the January-September period as a whole," said Iftokhar.

He said the bank, which started its journey in 1992, had never failed to meet the provisioning requirement.

"In the next quarter, we will keep provision as per the central bank's direction along with our judgement for the betterment of the bank," he said.