Electronic fiscal devices at stores from next fiscal year

STAR BUSINESS REPORT

The revenue authority plans to introduce electronic fiscal devices (EFD) from fiscal 2018-19 with the view to combating value-added tax evasion at the retail level and ensure compliance, said a senior National Board of Revenue official yesterday.

The EFDs would replace the electronic cash registers (ECRs), which the NBR made mandatory in 2008 for 11 types of businesses: hotels, restaurants, confectionaries, jewellers, beauty salons, wholesalers and large retail stores.

"This will help us to monitor transactions and get real-time data of sales at shops as the EFD machines will be connected to a server at the NBR," the official said.

The move comes following advice from Finance Minister AMA Muhith to introduce an EFD management system to combat non-payment of VAT at the retail and wholesale levels.

Customers would be able to know if the VAT they paid went to the state coffer: they will receive a code that would be generated by the NBR's central server.

The NBR earlier planned to buy 10,000 ECRs for large shops, wholesalers, restaurants and other businesses as part of its target to implement the VAT law 2012 from fiscal 2017-18.

The plan was scrapped after the government deferred the implementation of the law by two years. Last year, it identified 8,007 entities eligible for fitting the electronic sales devices.

At present, several thousand shops use electronic cash registers and point-of-sale machines. However, not all use the device to issue sales invoices to customers in an attempt to appropriate the VAT and hide actual transaction figures from taxmen.

Japan's exports accelerate in April

REUTERS, *Tokyo*

Japan's exports accelerated in April on increased shipments of cars and machines used to make semiconductors, with rising volumes suggesting healthy overseas demand could help the economy recover quickly from a dip in the first quarter.

Exports grew 7.8 percent in April from the same period a year ago, below the median estimate for an 8.1 percent annual increase expected by economists in a Reuters poll. In March, exports grew an annual 2.1 percent.

In terms of volume, which strips away the impact of exchange rates, Japan's exports rose an annual 4.6 percent in April, faster than the 1.8 percent annual increase seen in March.

Exports are likely to continue to grow thanks to increased demand for manufacturing equipment, cars and car parts, but Japan's trade surplus with the United States makes it a potential target for US President Donald Trump's protectionist policies.

"Overseas economies are in a growth phase, so Japan's exports will continue to do well," said Hiroshi Miyazaki, senior economist at Mitsubishi UFJ Morgan Stanley Securities.

"The US government may turn its attention to Japan's trade surplus, but there are steps Japan can take, especially given the close defence relationship between the two countries."

The rise in the volume of exports was another reason to be optimistic, Miyazaki noted.

Exports of cars rose 15.3 percent in April from the same period a year ago, while exports of semiconductor manufacturing equipment rose 18.2 percent year-on-year, finance ministry data showed on Monday. Japan's economy contracted more than expected at the start of this year, ending the best run of expansion in decades.

The April trade data suggests exports could help the economy quickly return to growth, but the rate of expansion could be slower than the previous growth spurt.

Japan's exports to the United States rose 4.3 percent year-on-year in April, faster than a 0.2 percent annual increase in March.

Japan's trade surplus with the United States was 615.7 billion yen ($5.55 billion) in April, up 4.7 percent from the same period a year ago. In March the trade surplus with the United States fell an annual 0.3 percent.

Since taking office last year, Trump has pushed to rewrite free-trade deals to protect US companies and jobs from what is seen as unfair foreign competition.

Trump has imposed tariffs on steel and aluminium imports, which affect Japanese companies, and has also criticised Japan for its low level of imports of American vehicles.

PAN PACIFIC SONARGAON DHAKA

AKM Shajahan Kamal, civil aviation and tourism minister, talks to one of the over 500 underprivileged children who took iftar provided by Pan Pacific Sonargaon Dhaka at its grand ballroom in the capital yesterday.

Special efforts to keep Benapole port open during Ramadan

OUR CORRESPONDENT, *Benapole*

The authorities of Benapole Customs House have decided to keep the port open all the day during Ramadan with the help of non-Muslim officials and workers with effect from yesterday.

During Ramadan, Muslim employees take intervals twice a day for Sehri and Iftar to eat something before dawn and after dusk respectively.

Non-Muslim employees should come forward in these two intervals to keep the port up and running round the clock, Benapole Customs Commissioner Mohammad Belal Hossain Chowdhury said in a directive sent to the custom house.

The directive came as the custom house could not keep the port open 24 hours a day despite the previous call of the National Board of Revenue due to non-cooperation of different departments.

The port remains closed on Friday.

India considering steps to keep fuel prices in check

REUTERS, *New Delhi*

India is looking at ways to keep rising fuel prices in check, its oil minister said on Monday, with retail rates for diesel and petrol touching record highs in capital city New Delhi and financial hub Mumbai.

Prices at the pump have surged on the back of rallying international markets for crude oil, which last week hit their strongest since late-2014 amid ongoing production cuts led by the Organization of the Petroleum Exporting Countries (Opec).

"Various alternatives are being looked at," Dharmendra Pradhan said in a televised speech, adding that he would "work out something soon". He did not give details.

Opposition leaders have criticised the government for failing to rein in rising fuel prices, a politically-sensitive issue in one of the world's biggest economies.

India is particularly at risk from stronger global prices for crude oil as it is the No.3 importer of the commodity, buying about 80 percent of its oil needs.

On Monday, industry lobby group FICCI called for an immediate cut in the excise duty on oil imports.

The cost of the growing thirst for oil around Asia will surpass $1 trillion this year, about twice as much as in 2015 and 2016, as oil prices touch $80 per barrel and continental demand hits a record.

Stocks break losing streak

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Karnaphuli Insurance Company was the day's worst loser, shedding 10 percent, followed by Eastern Cables, Eastern Bank and Standard Insurance.

Among the major sectors, cement lost 1.08 percent and telecom 0.67 percent. On the other hand, the life insurance sector gained 1.89 percent, the financial sector 1.05 percent and mutual funds 0.50 percent.

Chittagong stocks also rose yesterday with the bourse's benchmark index, CSCX, increasing 33.53 points, or 0.30 percent, to finish at 10,093.43.

Gainers beat losers as 85 stocks declined and 117 advanced, while 25 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 73.66 lakh shares and mutual fund units worth Tk 29.71 crore.

Internet slows for undersea cable repair

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Despite all this, there might be "some disruptions" with the speed but none will be disconnected, he assured.

Bangladesh's current bandwidth consumption is about 600 Gbps, of which 400 Gbps is being supplied by the state-run company while the rest comes from India through terrestrial cable. A highly placed source involved in the market said internet users would not have faced such issues had the BSCCL brought in proper facilities to harness the potential of SEA-ME-WE 5.

The SEA-ME-WE-5 has a capacity of supplying 1,500 Gbps but the transmission link from its Kuakata landing point is not up to the mark, said the source requesting anonymity. Last October, the SEA-ME-WE-4 remained completely shut down for three days for maintenance work in its Bay of Bengal part.

BRAC BANK

Tareq Refat Ullah Khan, head of corporate banking at Brac Bank, and Amer Ahmed, director for business development at Scholastica, exchange documents after signing a deal at the bank's head office in Dhaka on May 16. Scholastica can collect student fees through the bank's automated collection services.

US top court backs companies over worker class-action claims

REUTERS, *Washington*

The US Supreme Court delivered a blow to the rights of workers on Monday by allowing companies to require them to sign away their ability to bring class-action claims against management, agreements already in place for about 25 million employees.

The justices, in a 5-4 ruling with the court's conservatives in the majority, endorsed the legality of the growing practice by companies to compel workers to sign arbitration agreements waiving their right to bring class-action claims on issues such as overtime wages or gender-based pay disparities either in court or before private arbitrators.

President Donald Trump's administration last year reversed the government's stance in the case, siding with the companies after former President Barack Obama's administration had supported a US National Labor Relations Board decision invalidating such employment agreements.

Justice Neil Gorsuch, Trump's appointee to the court, wrote the ruling, saying federal arbitration law takes precedence over the National Labor Relations Act.

"The policy may be debatable but the law is clear: Congress has instructed that arbitration agreements like those before us must be enforced as written," Gorsuch wrote.

Writing on behalf of the four liberal justices in dissent, Justice Ruth Bader Ginsburg said that the ruling was "egregiously wrong" and called for Congress to take action to protect workers' rights.

"The court today holds enforceable these arm-twisted, take-it-or-leave it contracts — including the provisions requiring employees to litigate wages and hours claims only one-by-one. Federal labor law does not countenance such isolation of employees," Ginsburg said in a statement she read in court.

The ruling came in the biggest business case of the court's current term, which began in October runs through the end of June.

Growing numbers of employers have mandated that their employees sign waivers to guard against a rising tide of worker lawsuits on wage issues. Class-action litigation can result in large damages awards by juries and is harder for businesses to fight than cases brought by individual plaintiffs.

The NLRB argued that the waivers violate federal labor law and let companies evade their responsibilities under workplace statutes. Workers have fought back against the waivers, arguing that the cost of pursuing their cases individually in arbitration is prohibitively expensive.

About one in four private-sector non-union employees have signed arbitration agreements that include class-action waivers, according to the non-profit Economic Policy Institute. Workers have fought back against the waivers, arguing that the cost of pursuing their cases individually in arbitration is prohibitively expensive.

Lawyers representing businesses have said that resolving workplace disputes through arbitration with individual employees is a speedy and cost-effective alternative to class-action litigation.

The three consolidated cases that came before the court involved professional services firm Ernst & Young LLP, gas station operator Murphy Oil USA Inc and healthcare software company Epic Systems Corporation.

Nigeria economy grows with bump in oil production

AFP, *Abuja*

Nigeria's economy grew slower than expected in the first quarter, official statistics showed Monday, with an expansion in oil production offset by a sputtering non-oil sector.

The economy grew by 1.9 percent year-on-year in the three months to March, compared with growth of 2.1 percent in the fourth quarter of 2017, said Nigeria's National Bureau of Statistics.

Nigeria's oil production -- which generates the bulk of the country's government revenue -- is up to 2.0 million barrels per day, the highest level in over a year, according to the statistics bureau.

But growth in the non-oil sector was a meagre 0.8 percent despite slowing inflation and higher oil prices, surprising analysts who predicted stronger growth.

"It's a bit of a depressing result," said John Ashbourne of London-based Capital Economics to AFP.

"Consumer spending is incredibly weak. Nigerian consumers are holding back either because incomes have fallen more than we thought or because people are worried about the future," Ashbourne said.

Nigeria's President Muhammadu Buhari has worked to try and pivot the economy away from its dependence on oil, a Herculean task in a country that is overreliant on the sector.

Last week, Nigeria's parliament passed a record 9.12-trillion-naira ($29.8-billion) budget designed to bump growth ahead of presidential polls in 2019.

On Tuesday, the central bank will announce its decision on interest rates, with lower inflation in recent months making room for a cut in borrowing costs.

The bank has kept its key rate at 14 percent since 2016 in a bid to quell inflation and prop up the naira.

Nigeria's outlook is still positive as the economy gains momentum after exiting its first recession in two decades last year.

The economy is expected to get a boost from higher oil prices, lower inflation and implementation of the 2018 budget.

Project cost rises manifold

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The neighbouring country has also committed to financing a four-lane road from the port to Akhaura.

The Ashuganj port will not only facilitate transshipment between India and Bangladesh but will also play an important role in expansion of trade in most of the parts of Dhaka, Chittagong and Sylhet, according to the planning ministry proposal.

As per the agreement between Bangladesh and India, Indian goods from Kolkata will arrive at the Ashuganj port through river routes. From there, Bangladeshi trucks or trailers will carry them to Agartala.

As per primary estimates, 4 lakh twenty-foot equivalent units of containers will be transported through the river route every year.

Huge loans written off to flatter balance sheets

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"The disbursed loans have subsequently become defaulted and were written off," said Rahman, also the chairman of the Association of Bankers, Bangladesh, a forum of private banks' chief executive officers and managing directors.

But a strong judicial system will help banks recover the written-off loans from defaulters, he added.

RMG exporters to get more low-cost funds

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The loans are payable by the banks upon receipt of export proceeds within 180 days of the date of disbursement. The interest rate on loans from the fund is now LIBOR plus 2.50 percent.

The central bank had increased the ceiling in response to applications from the BGMEA and the BTMA, said Faruque Hassan, senior vice-president of the garment makers' apex trade body.

The foreign suppliers show interest when the local manufacturers operate their business borrowing money from the central bank's fund, said Abdus Salam Murshedy, managing director of Envoy Group.

The first prize winners of Huawei ICT Competition 2018 pose during its global final at the company's Shenzhen headquarters in China recently. Over 40,000 students from more than 800 universities and colleges of 32 countries participated in the competition themed "A Better-Connected Future for Youth".

HUAWEI