

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.03%	0.03%	\$1,424.80	\$65.18	0.80%	0.43%	0.22%	0.87%	83.50	94.29	105.59	0.76
5,380.96	9,985.28	(per ounce)	(per barrel)	39,434.94	21,193.81	3,304.27	2,982.07	84.50	98.09	109.39	0.80



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Budget announcement causes price hike: survey

STAR BUSINESS DESK

The prices of essential commodities tend to spiral following the announcement of national budgets, much to the distress of the poor and the ultra-poor, found a recent survey.

Only one-fifth of the respondents of a survey conducted by Brac and research organisations iSocial and Unnayan Shamannay think the yearly budget announcements have nominal effect.

But around two-thirds think the prices of essential commodities typically go up after the announcement. The survey, which started this year, is part of a seven-year research on comprehensively measuring the budget's impact on the poor and extreme poor.

The findings were presented at a press conference at the Cirdap auditorium in the capital yesterday.

The research would lead to the development of a robust data



Atiur Rahman, former Bangladesh Bank governor, speaks at a press conference on "National Budget 2019-2020: Impact on the poor and extreme poor" at the Cirdap auditorium in Dhaka yesterday.

model that helps run simulation to check impact and implications of small changes in macroeconomic decisions on household economy and marginalised individuals.

It would also help identify gaps and priorities to make macroeconomic decisions more cohesive and inclusive.

The survey was conducted among 4,800 randomly selected respondents from extreme poor,

poor and middle-income backgrounds.

The findings are grouped in three categories: effectiveness of social security services, public perception about the budget's priorities, and disaster preparedness and mechanisms in marginalised households.

Of the respondents, 10 percent receive at least one social security service and one-third of these receivers are women.

Seemingly, most priorities have been given to old age, widow, disabled and freedom fighter allowances, while the other social security services seemed to have less government focus.

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Explore business in Qatar: NRBs

STAR BUSINESS REPORT

It is high time to explore business opportunities in Qatar, non-resident Bangladeshis said yesterday.

With its four neighbours having imposed economic and diplomatic embargo, the oil-rich gulf country has drastically opened its market for all seeking to source products and services from around the world, they said.

"Immense opportunities have opened for Bangladeshi businesses," Israt Ara Yunus, founder member of Bangladesh Forum Qatar (BFQ), told a press conference at The Daily Star Centre to announce holding a three-day exhibition from December 10.

The BFQ says it is a business platform registered in Qatar by Bangladeshi professionals and businesspeople working in that country.

The forum and the Bangladesh embassy in Qatar will jointly organise the fair titled "Made in Bangladesh" at Doha Exhibition and Convention Centre to showcase Bangladeshi products and services through around 100 stalls.

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Workers to get paid digitally soon: BGMEA

STAR BUSINESS REPORT

Garment factory owners will introduce digital salary disbursement to ensure female workers get full ownership of their earnings and more transparency in payment, said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday.

Female workers do not always see their hard-earned money come to them; they are either extorted of the sum or their guardians, which mostly happens to be their husbands or brothers, gets hold of it.

The digitised payment will start on a pilot basis ahead of Eid-ul-Azha, said Huq at a discussion styled "creating the business case of MFS based wage digitisation in the garment sector", organised by International Finance Corporation (IFC) at the capital's Amari Hotel.

"I can say that all 35 members of the current BGMEA board of directors will start paying digitally from the Eid-ul-Azha. We will motivate the other factory owners to do the same as soon as possible," she said.

The BGMEA will sign an agreement on Thursday with the ICT ministry to introduce e-wallets for the garment workers.

In so doing, the female workers will have full ownership of their hard-earned money, which they do not always have, Huq added.

Sajjadur Rahman Mridha, chairman of ABA Group, said he introduced digital payment in his factory a few years ago after he learnt that one of his female workers was killed by her husband as she was refusing to hand over her salary to him.

"It was the most tragic incident," he added.

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Rubana Huq, president of the BGMEA, speaks at a discussion organised by the International Finance Corporation (IFC) at Amari Dhaka yesterday on creating a business case of MFS-based wage digitalisation in the RMG sector.

IFC

Gold fair fetches Tk 175cr in tax

STAR BUSINESS REPORT

Jewellers paid about Tk 175 crore in tax to legalise their undeclared stock of gold at the three-day gold fair that wrapped up yesterday.

The fair, which was the first of its kind, saw more than 1,200 jewellers and traders legalise their gold, diamond and silver upon payment of a certain amount of tax, according to Bangladesh Jewellers Samity (Bajus) General Secretary Dilip Kumar Agarwala.

It was not possible to ascertain the volume of gold and other metals declared as the tax on gold, diamond and silver varies, he said at the press briefing after the closing ceremony.

The National Board of Revenue (NBR) organised the three-day event at the InterContinental Hotel in Dhaka.

Similar fairs were also held at the other divisional cities as part of the tax administration's initiative to allow jewellers and traders to disclose the stock of precious metals to taxmen by June 30.

At the closing ceremony, NBR

Chairman Md Mosharraf Hossain Bhuiyan said tax collection from gold declared by jewellers would be about Tk 300 crore by June 30.

Agarwala, also the managing director of Diamond World, said Tk 400 crore in tax would be deposited

in the national coffer thanks to the scope.

According to the NBR, traders and goldsmiths can legalise undeclared and stocked gold and gold ornaments by paying Tk 1,000 per bhoiri.

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Traders and jewellers are seen legalising their undeclared stock of gold paying tax at Tk 1,000 per bhoiri on the concluding day of the Gold Fair at the InterContinental Dhaka hotel yesterday.

STAR

Tax measures to hit steel industry, consumers hard

STAR BUSINESS REPORT

The price of mild-steel rod will go up Tk 10,350 per tonne if the proposed value-added tax and other fiscal measures for next fiscal year come into effect, steel millers said yesterday.

As per the planned VAT and other tax measures spelled out in the Finance Bill 2019, the price of the key construction material will reach Tk 72,050 per tonne, according to Bangladesh Steel Manufacturers' Association (BSMA).

At present, a tonne of standard MS rod sells for Tk 63,000.

The association said the tax on rod has increased by 138 percent from Tk 1,950 to Tk 4,650 per tonne.

"The steel sector is highly capital-intensive, so any additional tax will create extra burden on the sector," said Manwar Hossain, president of the BSMA, while addressing a post-budget press conference at National Press Club yesterday.

"The increased VAT and tax will



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not only affect the infrastructure and housing sectors. It will also hold back the steady growth of the steel sector, disrupt the development of the country and hurt the consumers."

The BSMA, the Bangladesh Re-Rolling Mills Association, and the Bangladesh Steel Mill Owners Association jointly organised the briefing.

As per the Finance Bill, the VAT on

scrap sales will go up to Tk 1,750 from Tk 300, fixed VAT on billet sales to Tk 2,000 from Tk 450 and fixed VAT on rod sales to Tk 2,000 from Tk 450.

The VAT on retail sales will go up to Tk 3,300 from Tk 200.

In total, the total VAT impact will be Tk 9,050 per tonne from Tk 1,400 now, an increase of 546 percent, according to the association.

Manufacturers will also have to pay 5 percent advance tax on raw materials at the import stage – a move that would create additional pressure on working capital.

Manufacturers will also need additional 5 percent in working capital because of the imposition of 5 percent in advance tax (AT).

In order to mobilise the funds, they will have to turn to the banking sector, further deepening its liquidity crisis, Hossain said. The loans will turn bad if steelmakers fail to repay bank loans on time amid the increased production cost, he said.

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e-CAB expects VAT exemption for 5 years

STAR BUSINESS REPORT

The e-Commerce Association of Bangladesh (e-CAB) yesterday expressed hope of getting long-term tax exemption from the government to help the fledgling industry stand on its own feet.

"We have already sat with the policymakers, including some ministers and an advisor of the prime minister and got positive response from them," said Shomi Kaiser, president of the e-CAB, in a press conference held at the capital's Best Western La Vinci Hotel.

But in the proposed budget for fiscal 2019-20, the finance minister called for 7.5 percent value-added tax on virtual businesses – and e-commerce to be specific.

After the finance minister placed the budget, e-CAB sat with the National Board of Revenue and different trade bodies to voice out its concerns.

The government is providing tax holiday to the IT industry until 2024 and despite being much more digital commerce is not getting any benefit, said the e-CAB leaders.

The annual e-commerce sales amount to about Tk 1,000 crore. Although the new VAT rate would bring in only Tk 75 crore for

the government, it would destroy the whole industry, they said.

Kaiser went on to refer a host of European nations that still do not impose VAT on digital commerce.

"The European Union decided not to impose VAT on e-commerce until 2021. Then there are Asian countries who haven't thought of it yet. So why are we in a rush?"

She went on to express hope that the industry would be granted tax exemption for five years.

Online commerce started in Bangladesh only four years ago, said Zeeshan Kingshuk Huq, co-founder and chief executive officer of Sindabad.

"We need time to grow and for that we require government support," he said, adding that the industry can generate more than a million jobs.

If the industry gets few years' exemption it will go on to become the single biggest contributor to the national exchequer, said Abdul Wahed Tomal, general secretary of e-CAB.

"Citizens are being requested to adopt a digital life for the last couple of years but now we get this. The Digital Bangladesh vision seems to be turning blurry," he added.

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NEWSIN brief

Finance minister gifts shares to daughter

Finance Minister AHM Mustafa Kamal has transferred his 3.9 lakh shares in Asia Pacific General Insurance Company to his daughter Nafisa Kamal, one of the directors of the company, as a gift.

The transfer was completed outside the trading system of the Dhaka Stock Exchange.

Al-Haj Textiles shuts production for a month

Al-Haj Textile yesterday began its month-long suspension of operations owing to drastic fall in sales.

The company said the decision came because of a shortage of storage facilities for finished goods at its warehouses as well as the dearth of working capital.

Esquire ICL Apparel Fund approved

The Bangladesh Securities and Exchange Commission has approved an open-ended mutual fund named Esquire ICL Apparel Fund.


The primary target of the fund is Tk 25 crore. The sponsor of the fund, Esquire Knit Composite, will provide Tk 10 crore and the rest will be available for general investors.

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