



**Md Arfan Ali, president and managing director of Bank Asia, opens the bank's "Central Foreign Exchange Reporting Hub" at Bank Asia Bhaban, its Chattogram zonal office. The hub will ensure specialised customer services and automated reporting of foreign trade related transactions.**

## FedEx sues US government over shipment restrictions

AFP, New York

American logistics giant FedEx sued the US government on Monday, saying Washington's restrictions on exports and imports due to growing trade disputes and sanctions created an "impossible burden" for delivery firms.

The announcement of the lawsuit comes as Beijing and Washington face off in a trade war that has seen both sides exchange steep tariffs on hundreds of billions in exports.

The US has also sought to bar Chinese telecom giant Huawei from the American market and limit its ability to purchase US technology.

A statement by the delivery firm said the restrictions placed "an unreasonable burden on FedEx to police the millions of shipments that transit our network every day" or face heavy fines.

The company said it was impossible for

employees to determine "the origin and technological make-up of contents of all the shipments it handles and whether they comply with" US laws.

The statement was released hours after China called on FedEx to explain why a parcel from Huawei to the US went undelivered, in the second spat between the two companies in less than a month.

FedEx CEO Fred Smith told US broadcaster Fox News that "Huawei is just emblematic of this problem," referring to what he described as the "confusing situations" that can emerge when employees sought to comply with the restrictions. "Under the Department of Commerce's regulations, we are expected to be the policeman for these export and import controls," he said.

"Despite the fact that we handle 15 million shipments a day, if we make an error on any one

of them... we can be fined \$250,000 per piece."

IT publication PC Mag said on Friday a FedEx package to the US that contained a Huawei phone was returned to the UK.

An accompanying note explained a US government "issue" with China prevented the delivery. FedEx apologized for the incident.

"The package in question was mistakenly returned to the shipper and we apologize for this operational error," the company said in a statement. The US logistics group is already under investigation in China for failing to deliver some of Huawei's parcels, with the Chinese company saying it would review its ties to FedEx.

Shortly after Smith's interview, Commerce Secretary Wilbur Ross told Fox News that "the regulation states that common carriers cannot knowingly ship items in contravention of the entity list or other export control authorities."



**Iftekhar Ahmad, president of Bangladesh Forum Qatar, speaks at a press conference at The Daily Star Centre in Dhaka to announce holding a three-day exhibition in Doha from December 10. Story on B1**

## Explore business in Qatar: NRBs

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Leading Bangladeshi companies focusing agriculture, battery, cement, ceramic, fashion, fintech, fisheries and meat, food and beverage, furniture, leather, pharmaceutical, plastic, real estate, school, hospital, clinic, shipbuilding, textile, toiletries and wire and cable are scheduled to participate.

Qatar is one of the world's richest countries in terms of per capita GDP and imported about \$27 billion worth of products and services in 2017, said Israt.

"Also, around 400,000 non-resident Bangladeshis are contributing

to Qatar's economy, providing a niche market," she said.

Yusuf Saeed, vice president of the BFQ, said the exhibition would provide Bangladeshi companies the opportunity to have business-to-business meetings with their Qatari counterparts and enable partnership contracts.

"It is a high time for Bangladeshi business communities to tap into the vast opportunities in the Gulf region starting with Qatar," said Iftekhar Ahmad, the forum president.

"It will not only strengthen the Bangladesh-Qatar economic relationship but also turn Qatar into a partner of Bangladesh," he added.

Bangladesh currently exports only a few million dollars-worth goods and services to Qatar but has immense potential to export products which have already gained popularity across the world, he added.

Jaafar Ali Al-Sarraf, general manager of Gulf Exchange Company, Qatar, said Bangladeshi companies not only have the opportunity to export to Qatar but also set up joint venture firms.

"Qatar welcomes Bangladeshi businesses to explore it," said the businessperson. Mir Monirul Huda, the forum's founding member, also spoke.

## Gold fair fetches Tk 175cr in tax

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For cut and polished diamond, the rate will be Tk 6,000 per carat. In case of silver, jewellers will have to pay Tk 50 a bhoiri, according to a notification of the NBR in May.

Anyone with trade licence, VAT registration and taxpayers identification number will get the scope to declare their undisclosed gold to taxmen.

In November last year, the government framed gold policy in order to clean the gold trade, make import and export easier, stop smuggling and ensure transparency in the trade.

The policy came in the face of demand from jewellers after the Customs Intelligence and Investigation Directorate seized huge volume of gold from Apan Jewellers for failure to show valid documents in favour of the precious metal.

Bangladesh's annual demand for gold

ranges between 20 tonnes and 40 tonnes and almost 80 percent of it is met through illegal imports as traders shy away from importing the precious metal owing to complexities in the procedure.

Like Apan Jewellers, almost all jewellers have gold in stock but they cannot show it in their income tax returns because they do not disclose where the bullion came from, according to taxmen.

In order to encourage the formal import of gold, the NBR has cut the duty on the metal under the baggage rule.

A traveller will be able to bring 234 grams of gold bars or bullions upon payment of Tk 2,000 for each 11.664 grams (one bhoiri or tola) from fiscal 2019-20, down from Tk 3,000 at present.

Commerce Minister Tipu Munshi and Bajus President Ganga Charan Malakar also spoke at the closing ceremony.

## Central bankers weigh up Facebook's Libra plan

REUTERS

A senior member of the Swiss National Bank said he was open-minded about Facebook's cryptocurrency project, while an Italian official looked for more information as central bankers try to get to grips with the initiative.

Facebook revealed plans last week to launch Libra, the latest development in its effort to expand beyond social networking and move into e-commerce and global payments.

## Workers to get paid digitally soon: BGMEA

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Shwapna Bhowmick, country manager of Marks & Spencer (M&S) for Bangladesh and Myanmar, said some 50,000 workers in the various factories from which the British retailer sources are paid digitally.

Since 2007, the M&S affiliated factories have been paying their workers through the digital platform, which have helped cut operational costs by 3 percent in a year.

"We have a target to bring all the affiliated factories under the digital payment system gradually. We have to make the garment sector of Bangladesh sustainable as it is a very important source for us," she added.

M&S gets nearly \$1 billion worth of garment products in a year from Bangladesh, which is about 40 percent of the company's total sourcing.

There is a stark gender gap in access to financial services in Bangladesh, where only 36 percent of women have a formal bank account compared to 65 percent of men, according to the IFC.

However, about 90 percent of the factories pay their workers in cash, which is a missed opportunity for both the financial and garment sectors, said Ananya Wahid Kader, senior financial sector specialist of the IFC.

Through the IFC's initiative, over 70,000 female workers benefitted from digital wage payments to their mobile financial service accounts between 2016 and 2018, and they can now use their accounts to send money, build savings and make payments securely.



**Md Alamgir, managing director of Hotels International, the owning company of Pan Pacific Sonargaon Dhaka, opens a new entrance of the hotel on the end of the now-defunct BGMEA building recently.**

## Tax measures to hit steel industry, consumers hard

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He alleged that the National Board of Revenue (NBR) assured the association during pre-budget discussions that it would not impose any additional tax next fiscal year.

Still, the NBR imposed the tax and VAT, he said.

Zahir H Chowdhury, vice-president of the association, said the proposed income tax would be collected as minimum tax.

He said tax never boosts turnover – rather it was the other way around. So, the government should not impose advance tax.

The steel millers recommended the government increase the total VAT on rods to Tk 2,250 from Tk 1,400 per tonne to keep its price within customers' purchasing capacity. Still, the increase will be 61 percent.

If the proposed VAT and other taxes are implemented, it would directly and indirectly hurt 3,600 sub-sectors allied with the steel sector.

The association itself recommended raising VAT and taxes. It proposed

increasing VAT on billet sales to Tk 750 from Tk 450 per tonne; fixed VAT on rod sales by manufacturers to Tk 750 from Tk 450; VAT on scrap sales to Tk 450 from Tk 300; and VAT on retail sales to Tk 300 from Tk 200.

The BSMA demanded withdrawal of AT on import stage.

On the tax measures, the association said the advance income tax should be fixed at Tk 300 per tonne and the tax at source should be adjustable.

Bangladesh's steel consumption rose more than three times in the last one decade on the back of economic activities, urbanisation and a host of under-construction major infrastructure projects. It was 16 lakh tonnes in 2008 and now stands at 55 lakh tonnes.

Mohammed Shahidullah, secretary-general of the BSMA, Md Mahbubur Rashid Jewel, chairman of Julfikar Steel Rolling Mills, and AA Mohammad Hossain Khokon, general secretary of the Bangladesh MS Rod & Steel Malik Samity, also spoke at the programme.

## e-CAB expects VAT exemption for 5 years

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Ashikul Alam Khan, chief executive of priyoshop.com, echoed the same.

The e-commerce ventures are not only doing business but also trying to establish an ecosystem that would digitalise all stakeholders and ensure transparency. "The

government should promote e-commerce to ensure transparency as well," he added.

The top brass of the leading e-commerce companies were present, while e-CAB leaders Mohammad Abdul Haque, Mohammad Sahab Uddin and Nasima Akter Nisha also spoke.

**Kazi Akram Uddin Ahmed, chairman of Standard Bank, presides over its 20th annual general meeting at Police Convention Hall in Dhaka recently. The bank approved 10 percent stock dividend for 2018. Mamun-Ur-Rashid, CEO, was present.**