

DCCI wants cuts in corporate tax

The chamber places its budget proposals to NBR

STAR BUSINESS DESK

The Dhaka Chamber of Commerce and Industry in its budget proposal for the next fiscal year has called upon the revenue authority to slash corporate tax.

The National Board of Revenue should bring down the corporate tax from fiscal 2020-21, 2021-22 and 2022-23 at a progressive rate of 5 per cent, 7 per cent and 10 per cent respectively, the chamber's President Shams Mahmud said.

He also requested the NBR to cut the tax rate on income of corporate dividend from 20 per cent to 10 per cent, according to a statement.

The chamber placed the budget proposals to the NBR yesterday. Md Alamgir Hossain, member for tax policy of the NBR, received the proposals on behalf of NBR chairman. NKA Mobin, senior vice president of the DCCI, was also present.

Mahmud urged the NBR to increase the limit of income tax return for individual from existing Tk 2.5 lakh to Tk 3 lakh and reduce the least tax return rate to 5 per cent which is now 10 per cent.

Besides, the DCCI president recommended implementing the fully automated and online tax return submission system to attract more taxpayers.

At present those who pay VAT return at a rate of 15 per cent can enjoy tax rebate, but Mahmud requested the NBR to allow the same facility to those who pay VAT return at a rate of 5 per cent, 7.5 per cent and 10

per cent as well.

There is no specific definition of "material" both in the VAT Act 2012 and VAT Law 2016. The definition of material should be included in these act and policy, he said.

He also suggested withdrawal of all advance tax imposed on raw materials and machineries used in the manufacturing-led industries in order to encourage export oriented manufacturing and export diversification.

Mahmud also wanted the turnover limit for small and medium entrepreneurs to be increased from existing Tk 3 crore to Tk 4 crore. Rebate-less VAT implementation may fuel inflation, he said.

"One of the basic rules of VAT calculation is to fix the VAT rate as per the ratio of value addition of the product."

The private sector should get the chance to participate in the transmission and distribution of power across the country, he said.

Special tax exemption facility on local manufacturing of sub-station machineries and other related accessories should be allowed in order to facilitate import substitute backward linkage industry in the power sector.

He finally requested the NBR to keep the effects of the coronavirus outbreak in consideration while formulating the upcoming budget to bring out the best of instrumental policies and revenue management for inclusive growth.

edotco Bangladesh gets new MD

STAR BUSINESS REPORT

Telecommunications infrastructure service provider edotco Group Sdn Bhd has announced appointing Ricky Steyn as the new country managing director of edotco Bangladesh, stating that it was to solidify its presence in the country and grow its footprint across the region.

Steyn was previously the director of engineering in Myanmar for the past four years.

Under the new leadership, edotco is set to reinforce its commitment and grow its presence through innovative next generation telecommunication solutions and continued service delivery excellence, the company said in a statement yesterday.

"With over 24 years of telecommunications experience, Ricky specialises in service delivery for both active and passive infrastructure across three different continents," it added.

"We will continue to push for the adoption of next generation technologies such as smart city solutions across the country, infrastructure that is 5G ready and able to meet increasing capacity requirements. We are fully committed to partnering the country towards meeting its digital ambitions," said Ricky.

Dhaka stocks find no takers

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Yesterday, DSEX, the benchmark index of the DSE, rose 31.71 points, or 0.79 per cent to close at 4,008.28.

Turnover rose 150 per cent to Tk 348 crore. However, of the sum, Tk 237.7 crore was traded in the block market and Tk 110 crore in the main board. ACI Formulations was the topped the gainers' list with its 9.9 per cent rise, followed by One Bank, National Life Insurance, Standard Bank and ICB Islamic Bank.

Premier Cement was the worst loser, shedding 6.4 per cent. It was followed by CAPM BDBL Mutual Fund, Bangladesh National Insurance Company, NCC Bank and Mutual Fund One.



Truckers left idle as EPZ shipments put on hold

AHMED HUMAYUN KABIR TOPU, Pabna

Over the past few years, Md Khasru Miah, a truck driver of the Baba Solaiman transport agency in Ishwardi, typically made at least five trips per month to deliver materials used for manufacturing export-oriented products in Ishwardi export processing zone.

However, with the coronavirus pandemic taking its toll on businesses across Bangladesh, the 50-year-old has endured a massive downturn in fortune as of late.

"During times of natural disasters or even political crises such as floods or shutdowns, we often carry export materials safely. However, the recent coronavirus outbreak has cut down my work. As of March 20, I have received only one order to carry export goods this month," Kashru said.

Speaking to The Daily Star, Md Hira Pramanik, a lorry operator of Nasir Transport Group, echoed the same.

"I was fortunate to have been ordered to carry a bundle of thread from Chattogram port to a Japanese export-oriented garment factory in Ishwardi EPZ. This is the single trip for me this month," he said.

Following the global outbreak of coronavirus, shipments for all kinds of products have been put on hold for the last few weeks, he added.

Most transport workers of Ishwardi EPZ are enduring similar experiences due to the COVID-19 pandemic, leaving them with little to do other than sleep away the time.

"At least 40 to 50 goods-laden trucks were dispatched from Ishwardi EPZ daily before, but now no more than 5 to 10

trucks are sent out. Many drivers, helpers and loading-unloading labourers are waiting for work," said Md Sumon Hossain, another truck driver of the Baba Solaiman transport agency.

However, production is going on in Ishwardi EPZ despite the small amount of shipments being made.

"Most factories are operating according to work orders. Safety measures are in place for factory workers so there is nothing to be worried about," said Md Abdul Alim, general manager of the EPZ.

Seeking anonymity, an official of Nakano International, a Japanese garment producer in the EPZ, said that the company does not have a sufficient supply of raw materials due to the lack of shipments and so, is unable to hand over products to their respective buyers on time.

"Our factory is still running but we are not sure how we will continue production if the situation continues," he said.

Foreign investment in Ishwardi EPZ has rapidly increased over the past two decades due to the availability of smooth transport facilities. Besides, workers are readily available in the area.

Ishwardi EPZ started its journey with \$5 million in foreign investment during fiscal 2004-05, Alim said, adding that the investment in the EPZ now amounts to \$144.95 million (as of fiscal 2018-19), most of which is foreign funds.

If the situation deteriorates further, the Bangladesh Export Processing Zones Authority (BEPZA) will take a decision about closing operations of the EPZ, which employs over 12,000 workers, according to its website.

DBL Pharma, now second biggest seller of muscle pain medicine in the US

STAR BUSINESS DESK

DBL Pharma, a concern of one of the top Bangladeshi business groups DBL Group, has recently become the second biggest shareholder in the methocarbamol generic tablet market in the US, occupying 14.2 per cent share of the market.

Methocarbamol is a widely used medicine in the US for muscle pain, DBL Group said in a statement yesterday.

US-based IQVIA, a leading global provider of advanced analytics, technology solutions and contract research services to the life sciences industry, shared the info in its recent report.

Among 13 companies, Indian company Granules Pharma's partner entity in the USA has the biggest share, according to the statement.

By the end of 2018, DBL Group and Beximco Pharma of Bangladesh received go-ahead from the US Food and Drug Administration to market the medicine in the US.

DBL Group has already invested Tk 700 crore and DBL Pharmaceuticals' factory at Kashimpur in Gazipur will start producing medicines for Bangladesh market by the end of this year.

In the 10-acre factory, European machineries are being set up for making tablets, capsules, syrup, injection, inhaler along with other types of medicines.

Moreover, DBL purchased the production and quality control technology and machineries of cream and ointment of GlaxoSmithKline Bangladesh's recently closed factory in Chattogram, to produce the substitutes of Betnovate and Bactroban, two widely sold items of GSK.

DBL will also produce other medicines maintaining the quality of GSK in Bangladesh, according to the statement.

Only cash in hand can give comfort to a large majority

FROM PAGE B1

City Bank has taken preparation to keep adequate cash at its ATM booths during the general holidays, said its MD Mashrur Arefin.

"We have also asked our customers to use our dedicated app Citytouch to settle their transactions," he added.

Standard Bank will keep 120 of its 138 branches open during the general holidays, said its MD Khondoker Rashed Maqsood.

"Customers will get their required cash any time," he said, while also calling for using the digital modes to settle transactions.

But for those who are leaving Dhaka for their villages because of announcement of general holidays by the government, that is not an option, Hussain said. "People feel secure during any type of crisis if they can keep cash handy."

Chowdhury echoed the same.

"Cash provides a certain level of control and certainty that digital and electronic payments don't," said the mask-clad banker.

Car mechanics staring at lay-offs

FROM PAGE B4

"The transport sector is always an essential component for keeping the economy vibrant as it is directly involved with the manufacturing sector."

According to him, the government should take up initiatives to ensure that the automobile service sector does not lose work orders as it plays an important role in providing logistic services to the transport sector.

NB Auto Servicing in Taltola area is another workshop that would remain closed for an indefinite period for the impending coronavirus pandemic in Bangladesh.

"During this period, I will have to pay the salaries of 25 employees, including diploma engineers," said Neuton Chakma, its managing director.

He said the payroll bill is upwards of Tk 2 lakh every month, while other expenditure, including space rent, will set him back by another Tk 4 lakh.

"If the situation prolongs, I will face serious challenges," he said, adding that his workshop's revenue had also dropped drastically since February 15 for the absence of customers.



SMC ENTERPRISE

Officials of Bidyanondo Foundation and SMC Enterprise Ltd pose at a deal signing ceremony recently for distributing SMC Enterprise's Orsaline-N, Taste Me Instant Soft Drink Powder and SMC Purified Drinking Water among the underprivileged people through the foundation's project, Ek Takay Ahar.

Factories rise to the occasion, join hands to make PPE

FROM PAGE B1

"Our workers are very happy to be able to contribute to the nation in this crucial moment," he said, adding that factory workers are also interested to work even two shifts if needed.

Shahana Khatun, a worker of the factory, said, "We have so far worked for foreign buyers and this will benefit our country indirectly. Now, it seems like I'm working for my country and it will probably save thousands of people from coronavirus. It's a different feeling."

The health ministry has asked Smart Jacket (BD) to make as many jackets as possible, Rahman said.

"We are not concerned about the profit for this consignment since it is an urgent need for the country,"

he said, adding that the health ministry assured it of bearing the manufacturing cost.

As of Monday, there were around 2 lakh PPE in stock and the consignment of another 2 lakh PPE, procured from different countries, would arrive this month, said Health and Family Welfare Minister Zahid Maleque.

The ministry is distributing 20,000 to 30,000 PPE a day to hospitals across the countries.

As the number of people dying from the deadly virus rose, the government has taken measures to prepare the country's health professionals to tackle it.

The National Board of Revenue has withdrawn all forms of import duties

and taxes to encourage quick import of PPE, raw materials used in hand sanitisers, coronavirus testing kits and re-agents.

Health workers need PPE because if they don't wear the gears they are at increased risk of getting infected by the virus and spreading it to other patients.

Health workers' demand for PPE rose sharply after the first Covid-19 case was confirmed in the country.

Many public hospitals across the country set up isolation units for possible coronavirus patients but they had a dearth of necessary resources and equipment. As a result, doctors, nurses and hospital staffers were finding it hard to keep working, experts say.

Germany assures support to Bangladesh's garment exporters

FROM PAGE B4

The BGMEA's German counterparts fear that almost a third of the country's textile industry is under threat of total collapse.

What makes the situation even more difficult is that it remains uncertain when the coronavirus pandemic will subside.

"Let me assure you that I share your concerns regarding the social distress and the threat to garment factories and their workers in Bangladesh."

I response to your letter, I am informing you about my intent to pass your urgent request to the representatives of the German textile industry," Muller said.

Earlier this week, the BGMEA issued a letter to the Prime Minister's principal secretary, seeking banking and policy support to help face the challenges brought on by the pandemic.

In the letter, the BGMEA said that due to work order cancellations, the apparel manufacturers will find it very difficult to make payments on letters of credit, wages and utility bills.

Therefore, the BGMEA seeks all forms of government support, including the provision of an interest-free loan with a tenure of three years within the next six months.

In a notice, the BGMEA said that member

factories are continuing production.

Besides, the head offices of those factories are also open to aid production and support workers.

Garment factories are excluded from the purview of the government declared general holiday, the BGMEA notice said.

However, the BGMEA also urged companies to take adequate safety measures if they keep their factories operational during the ongoing coronavirus outbreak.

In a separate notice, AKM Salim Osman, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), suggested that member factories should shut down if they do not have enough work orders.

Factory owners should make wage payments to their workers in a timely manner to avoid any kind of labour unrest, Osman added.

Huq also expressed her gratitude to Prime Minister Sheikh Hasina for announcing a Tk 5,000-crore stimulus package for export-oriented industries.

"Thank you, honourable prime minister, for paying heed to our request for a lifeline at the most challenging time ever in the history of RMG," the BGMEA president shared in a message.

Govt seeks \$1b from IMF, WB

FROM PAGE B1

Bangladesh has already started to feel the heat of the coronavirus. "We are worried that the Covid-19 crisis may deal multi-faced blows to our economy," Kamal said.

Garment shipments, Bangladesh's main export earner, are being affected following the fall in demand for apparel items owing to lockdown in the US and Europe. The country's infrastructure projects are set to face delays.

Remittance sent by migrant workers have kept the economy dynamic to some extent so far, but the flow would see negative impact soon as a significant number of migrant workers returned to Bangladesh because of outbreak of the virus, the minister said.

Changyong Rhee, IMF's director for Asia Pacific; Hartwig Schafer, vice-president of the WB for South Asia; Nena Stoilkjovic, vice-president of the International Finance Corporation for global partnerships; and Ceyla Pazarbasiglu, vice-president of the WB for equitable growth, finance and institutions, also spoke during the video-conferencing.

Abu Hena Md Rahmatul Muneem, chairman of the National Board of Revenue; Md Ashadul Islam, senior secretary of the Financial Institutions Division; Abdur Rouf Talukder, finance secretary; and Fatima Yasmin, secretary of the Economic Relations Division, were present.

Boeing plans 737 MAX production restart by May

REUTERS, Seattle

Boeing Co plans to restart 737 MAX production by May, ending a months-long halt triggered by a safety ban on its best-selling jet after fatal crashes, people familiar with the matter said on Tuesday.

Boeing's planning hinges on the scale of disruptions from the fast spreading coronavirus, and US regulators clearing the 737 MAX to return to service, a milestone Boeing still expects to reach in mid-2020. One industry source said Boeing has asked some suppliers to be ready to ship 737 parts in April. Another person said production was planned to restart in May. A third person said coronavirus is throwing a wrench in Boeing's plans - they had initially hoped for April, but that fell to May.

"It'll be a very slow, methodical, systematic approach to warming the line up, and getting crews back in place," Boeing Chief Financial Officer Greg Smith told Reuters on Tuesday when asked about the May restart goal.

"Priority number 1 is getting customers' fleets back up," Smith said, adding that a production ramp up will be paired with clearing the MAX backlog. "We don't want to add to inventory."

Panic-struck people dear out faintly promising malaria drug

FROM PAGE B1

Some research suggests antimalarial medication and antibiotics could be beneficial to Covid-19 patients, said Sitesh Chandra Bachar, chairman of the department of pharmacy of Dhaka University.

"But these drugs should be only used for severely ill patients and only with doctor's consent," he said, while warning that the use of hydroxychloroquine for preventive measures could cause severe damage.

Md Mahbubur Rahman, director general of the Directorate General of Drug Administration (DGDA), echoed the same.

The government though has adequate stock of hydroxychloroquine, which it is supply to healthcare institutions. And some select drugstore will be stocked next week.

"But we have prohibited its sales without the advice of physicians."

And to ensure smooth supply of drugs to treat Covid-19 patients, the DGDA on March 19 asked the Bangladesh Association of Pharmaceutical Industries to allow the eligible pharmaceuticals to manufacture them.

The approval was given as per the recommendation of the Bangladesh Society of Medicine and in accordance with the national guide line for Coronavirus treatment, Rahman added.

Beacon Pharmaceuticals is one such drug maker that recently got the permission to make hydroxychloroquine, according to its Vice President Md Shariar Tamal Selim.

The necessary active pharmaceutical ingredients have been collected and Beacon will be able to deliver the medicines by the end of this month, he said.

ACI has long been making the tablet of chloroquine phosphate in the name of Avloquin and the company has a capacity to produce 13 crore pieces a year in its two plants.

"It is a very old drug. And it is in the market but it may be that pharmacies are not giving anyone who is asking for the medicine without prescription," said M Mohibuz Zaman, managing director of ACI Healthcare.

This is a prescription drug and one should not buy or consume without prescription. There are some predisposing ailments based on which doctors may or may prescribe to a particular patient. It should not be self-medicated drug like paracetamol or vitamin.

"We are producing it and there is no question of increasing the prices now," said Zaman, adding that ACI is also not exporting the drug so it can meet all domestic demand.

He said the prices of the drug is less than Tk 2 each.

Other than ACI, Incepta, Delta and Zenith Pharmaceuticals make hydroxychloroquine.

Incepta has been selling the drug in the local market under the brand Reconil for the last 18 years, said a senior official of the company wishing not to be named.