

Bepza gets new executive chairman



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Bangladesh Export Processing Zones Authority (Bepza) has witnessed a new executive chairman taking charge yesterday.

Maj Gen Md Nazrul Islam replaced Ma Gen SM Salahuddin Islam, who took on the role of military secretary to the president recently.

Before joining Bepza, Nazrul was general officer commanding of 66 Infantry Division at Rangpur Cantonment. Prior to that, he served as area commander of logistics at Dhaka Cantonment.

He also commanded one Artillery Brigade at Cumilla Cantonment. He also served in the Directorate General of Forces Intelligence, Armed Forces Division and Military Secretariat Branch in Army Headquarters.

He commanded three artillery units. Moreover, he has served at the UN mission in Sierra Leone and Democratic Republic of Congo.

Islam had also been awarded Sena Parodoshita Padak in 2020.



Syed Waseque Md Ali, managing director of First Security Islami Bank, opens a relocated branch at Euro Star Tower in Kachukhet of the capital's Kafrul area on Sunday.

FIRST SECURITY ISLAMI BANK

Selim RF Hussain, Mashrur Arefin ABB vice chairman, secretary general

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Selim RF Hussain, managing director of Brac Bank, and Mashrur Arefin, managing director of City Bank, have recently been elected vice chairman and secretary general respectively of The Association of Bankers, Bangladesh (ABB).



Selim RF Hussain Mashrur Arefin

The election took place at the 23rd annual general meeting of the forum of private banks' managing directors, according to a statement.

The meeting was presided over by ABB Chairman Ali Rezaq Iftikhar, also managing director of Eastern Bank.

Both positions fell vacant recently after the respective persons resigned from banks.

Euro zone companies see productivity boost from pandemic

REUTERS, Frankfurt

Euro zone companies expect to emerge more efficient from the coronavirus pandemic thanks to greater use of digital technologies and remote working, a European Central Bank survey showed on Monday.

The COVID-19 outbreak has caused the largest economic contraction in centuries, but it might turn out to have a silver lining for firms in the long run by forcing them to modernise their business and become more adaptive.

The ECB asked 72 industrial and services firms about the long-term impact of the pandemic on the way they operate and the environment around them.

It found firms expected home

office, virtual meetings and greater digitalisation to remain part of their daily life even after the pandemic, along with reduced demand.

"To a large extent, this seems to reflect a view that some changes in living and working habits brought about by the pandemic, especially the increased conduct of business and consumption online and a consequent reduction in travel, will become embedded," the ECB wrote in an article accompanying the survey's results.

These changes were seen helping boost productivity and reduce headcount.

"This would seem to reflect how businesses have learned to maintain production in spite of restrictions on

labour inputs due to social distancing and the identification of related efficiency gains," the ECB said.

Germany was one of several euro zone countries set to extend a national lockdown this month to curb coronavirus infection rates that are still running high.

More than three-quarters of respondents in the ECB's survey said that their business would be more efficient and more resilient after the pandemic.

By contrast, some ideas that emerged in the early part of the outbreak, such as expectations that companies will internalise or localise part of their supply chain, had fallen out of favour.

Sri Lanka tightens forex controls after worst GDP decline

AFP, Colombo

Sri Lanka on Monday ordered tight foreign exchange controls after announcing a 3.9 percent contraction in the economy that accentuated concerns over its ability to repay foreign debt.

Central Bank of Sri Lanka Governor W.D. Lakshman said the coronavirus pandemic caused a record fall in the tourism and trade-dependent economy last year as he announced the figure.

He said the central bank will keep lending rates below 10 percent to help revive the battered economy but there will be tighter controls on imports.

A ban on non-essential imports, including all types of vehicles, imposed in March has already been extended through 2021 and Lakshman suggested there could be more controls.

"For the sustainability of the low interest

rate structure, it is essential that foreign exchange leakages for non-essential imports and outward investment are minimised," he said without giving details.

The central bank chief insisted however that Colombo will honour its foreign debt obligations amounting to about \$4.0 billion a year.

International rating agencies have slashed Sri Lanka's credit worthiness after raising fears over the island's ability to repay its debt.

Sri Lanka's economy has steadily grown in recent decades with the exception of 2001 when there was a 1.4 per cent GDP contraction after Tamil separatists bombed the country's main airport and crippled tourism. The record decline in 2020 follows a setback after the 2019 Easter Sunday jihadist bombings which killed 279 people at three hotels and three churches.

Insurer Centene to buy Magellan Health in \$2.2b deal

REUTERS

Health insurer Centene Corp said on Monday it would buy Magellan Health Inc in a deal valued at \$2.2 billion, including debt, to strengthen its business that provides mental health services.

Centene has offered \$95 per share in cash, a 14.7 per cent premium to Magellan's

Thursday close, the companies said in a joint statement.

Magellan Health is a pharmacy benefits manager and provides mental health-related services.

Centene said it intended to fund the cash portion of the deal through debt financing and that J.P. Morgan has provided a \$2.38 billion bridge financing commitment.

Onion farmers stare at losses

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Hashem Sheikh, an onion grower in Adampur village under Faridpur sadar upazila, said they would lose interest in producing bulbs unless they got a fair price.

Farmers have been expanding the cultivation of onions for two years encouraged by the higher prices after India banned exports. Last year, onion acreage grew 18 per cent to 237,000 hectares.

The prices of onion skyrocketed when India banned exports in September last year, pushing the retail price in Bangladesh to as high as Tk 110 a kg on September 16, according to the Department of Agricultural Marketing.

The prices had jumped to a record Tk 250 a kg in 2019 after a similar Indian ban. The Department of Agricultural Extension (DAE) has targeted to bring 249,000 hectares under onion cultivation in the current fiscal year.

Farmers planted early onions on 65,000 hectares, up 8 per cent from a year ago, according to the DAE data.

"We want to bring 184,000 hectares under onion seedling cultivation this year," said DAE Director General Md Asadullah.

Farmers and agriculturists say the cost of planting onions rose this year because of the higher cost of seeds. And the decline in prices would increase the risk of losses of

farmers.

Abdur Rashid, a wholesaler in Sujanagar, said the prices of the key cooking ingredient dropped in recent periods owing to the increased supply resulting from the arrival of newly harvested bulbs and the resumption of imports from India.

New Delhi lifted restrictions on onion exports last month and imports began earlier this week.

Growers have to spend nearly Tk 800 to produce one maund of onion, according to Shaileendra Nath Mozumder, principal scientific officer of the Spice Research Centre under the Bangladesh Agricultural Research Institute.

He said the government should take measures to protect farmers. "Some import duty may be imposed so that prices do not fall because of an increase in imports."

Imports should be barred from March to May, the harvesting period, he added.

The commerce ministry has requested the National Board of Revenue (NBR) to impose import duty on onions.

Contacted, a senior official of the NBR said the revenue board was yet to take any decision to this effect.

Currently, there is no duty on onion imports.

Our correspondents in Pabna and Faridpur contributed to the report.

JMI launches KN95 masks

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standards practised in China as there are no such parameters or policies in Bangladesh. JMI launched the product after a yearlong effort.

"There was a lack of preparation for fighting the coronavirus at the early stage of the pandemic in absence of experience," said Iqbal Arslan, president of Swadhinata Chikitsak Parishad, a platform of physicians.

"At that moment, JMI Group was beside the government in tackling the crisis providing necessary medical equipment instantly," he told the launching programme at Pan Pacific Sonargaon, Dhaka yesterday.

"We've been 100 per cent dependent on imported KN95 masks. But from now on, JMI will give this lifesaving item to the people at an affordable cost," he said.

"After so many days past learning about KN95 masks, now we have a world-class mask of this kind," said Home Minister Asaduzzaman Khan Kamal.

JMI made history by making these KN95 masks available in the local market, he said.

He thanked JMI Group for supplying safety gears to Wuhan city of Hubei province in China after Covid-19 first broke out there.

Md Abdur Razzak, managing director of JMI Group, said, "We are helping the

government by manufacturing the KN95 masks by following all proper guidelines."

The KN95 mask consists of five layers, with a three-tier filter paper in it.

"After trial production, the mask was tested at separate labs both at home and abroad to ensure the best quality," he said.

Chinese KN95 masks are currently priced at around Tk 300 in the Bangladeshi market but JMI would charge just Tk 100 (including VAT and tax) for masks of the same quality, said Razzak.

"We helped the Bangladesh government by supplying international-standard face masks and other necessary medical equipment soon after the country's first three Covid-19 cases were detected last year and also when the coronavirus fatality rate started to increase," he said.

Md Javed Iqbal Pathhan, chairman of JMI Group, and Hisao Shigetomi, deputy managing director of Nipro JMI Group, addressed the programme.

JMI Hospital Requisite Manufacturing's Munshiganj facility can churn out 40,000 KN95 masks every 12 hours.

The KN95 mask is approved by China National Accreditation Service for Conformity Assessment, and Bangladesh's Directorate General of Drug Administration.

China's December factory activity growth slows, higher costs hit firms

REUTERS, Beijing

Activity in China's factory sector rose in December as the world's second-largest economy sustained its recovery to pre-pandemic levels, a business survey showed on Monday, however, increasing cost pressures slowed the pace of expansion.

The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) fell to 53.0 from November's 54.9, with the gauge staying well above the 50-level that separates growth from contraction but missing expectations and easing to the softest pace in three months.

Analysts polled by Reuters had forecast the headline reading would slip to 54.8.

China's vast industrial sector has staged an impressive recovery from the coronavirus shock thanks to surprisingly strong exports. The economy is expected to expand around 2 per cent for the whole of 2020 - the weakest pace in over three decades but much stronger than other major economies still struggling to contain infections.

However, tougher coronavirus



REUTERS/FILE

An employee works on a production line manufacturing steel structures at a factory in Huzhou, Zhejiang province, China.

control measures in many of its key trading partners in the west could dent industrial demand, weighing on the recovery.

The Caixin PMI reading comes after an official gauge of factory activity, focusing more on larger and state-owned firms, also moderated but remained strong.

"The negative impact of the pandemic on the domestic economy further subsided and the manufacturing industry continued to recover. Both the supply and demand sides continued to improve. Overseas demand also steadily increased," Wang Zhe, senior economist at Caixin

Insight Group, wrote in a note accompanying the survey release.

The private sector survey also showed input prices rose sharply, at the fastest pace since 2017, with pricier raw materials, especially metals, blamed for the increase. Chinese factories also laid off more workers than they hired for the first time in four months, although the decline was modest.

"We need to pay attention to the mounting pressure on costs brought by the increase in raw material prices and its adverse impact on employment, which is particularly important for the design of the exit from stimulus policies implemented during the epidemic," said Wang.

Gauges of both total new orders and factory output slipped from November's but remained strong. Growth in new export orders also slowed.

"We expect the economic recovery in the post-epidemic era to continue for several months, and macroeconomic indicators will be stronger in the next six months, taking into account the low bases in the first half of 2020," said Wang.

Record Tk 10,220cr black money legalised in Jul-Dec

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Some 205 taxpayers invested their undisclosed money in the securities approved by the Bangladesh Securities and Exchange Commission after paying a combined tax of Tk 22.84 crore during the July to December period.

Another 7,445 taxpayers legalised assets by paying a total tax of Tk 939.76 crore.

The previous highest was recorded in fiscal years 2007-08 and 2008-09 during the regime of the Army-backed caretaker government. At that time Tk 9,682.99 crore was legalised, the NBR data showed.

In the current fiscal year, the government has allowed the wholesale opportunity to legalise black money to accelerate the economy's growth, increase investment, and develop the stock market as previous attempts did not pay off.

"The taxpayers gave an unprecedented response," the NBR said.

The opportunity to legalise black money will continue until June 30 this year.

The government wants to generate an increased amount of revenue from the legalisation of untaxed money as it needs funds to kickstart the pandemic-ravaged economy.

The government has introduced the provision that no authority, including the NBR and the Anti-Corruption Commission, can raise any question on such declarations.

Now, individual taxpayers will be allowed to disclose any undisclosed home property, including land, building and flat, by paying tax at a particular rate per square metre.

Individual taxpayers can disclose

undisclosed cash, bank deposits, savings certificates, shares, bonds or any other securities on paying taxes at a rate of 10 per cent.

They can also invest in the capital market and show it in their tax returns. They have to maintain a lock-in period for a year.

Black money is largely attributed to tax evasion, and its direct impact is the loss of government revenue.

Undisclosed, unreported, untaxed economic activities, wealth and money are the major components of the underground economy in Bangladesh, according to a government analysis in 2011.

Undisclosed money and wealth are kept in different forms and shapes in Bangladesh. Some of the forms are bank accounts, real estates, stocks and shares, savings instruments, investment in a foreign country; cash, golds, jewellery and under-valued assets.

The larger chunk of black money is transferred abroad, and only a little goes into the fixed deposits, while the black money owners spend the rest on maintaining a posh lifestyle, the analysis said.

The government has set an income tax collection target of Tk 105,475 crore in the current fiscal year.

About 2409,357 income taxpayers submitted income tax returns by the deadline of December 31, up 9 per cent compared to that a year ago.

Income tax receipts stood at Tk 34,238 crore, which was Tk 1,545.09 crore higher than in the same period last fiscal year, the press release said.

McDonald's to tackle chicken chains with crispy sandwich trio

REUTERS, New York

McDonald's Corp is hoping 2021 is the year it cracks the crispy chicken sandwich by rolling out three different versions in the United States, the company told Reuters.

The world's biggest burger chain will add the new sandwiches - including a spicy version - on Feb. 24 as it takes on major chicken chains such as Restaurant Brands International Inc's Popeyes, in a play for a share of a growing market.

But to do so, it must overcome operational and structural hurdles, including a lack of pressure fryers, and fend off skeptics who doubt its new sandwich will be on par with those offered by poultry purveyors.

"I would bet big time that McDonald's never competes in the chicken business," restaurant marketing consultant Chas Hermann said of the menu additions.

McDonald's said its crispy chicken sandwich will also come in "classic" and "deluxe" versions. All will contain a new white meat chicken fillet served on a toasted, buttered potato roll.

"They'll definitely improve their chicken sandwich. It won't win awards. They will have some of the very best marketing around it," Hermann added.

A social-media-fueled war between privately-owned Chick-fil-A and Popeyes raised the game for the fast-food industry after Popeyes launched its first-ever chicken sandwich in August 2019 and quickly sold out.

That drove sustained spikes in Popeyes' comparable sales growth beginning that third quarter of 2019, and prompted other companies to try to follow its lead.