

# BSEC wants cuts in corporate tax for listed firms

Roadshow begins in Dubai on Feb 9 to attract foreign investors

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission (BSEC) is working to widen the gap of corporate taxes between listed and non-listed companies in order to attract well-performing companies to the market.

Now, the difference is 7.5 per cent on an average but the stock market regulator wants it to rise up to 15 per cent by reducing the tax for listed companies.

"We will attach it in the list of proposals for the next budget," said Prof Shibli Rubayat Ul Islam, chairman of the BSEC.

"We need to widen the difference of corporate tax in order to attract multinational companies to the stock market."

Though the difference was 10 per cent but in the last budget it was decreased to 7.5 per cent, which ultimately discouraged multinational companies, Islam said.

When a company got listed, its cost of operations rises 2 to 3 per cent, because

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of which it deserves an incentive and the incentive might be given in the form of tax reduction, the BSEC chairman said.

His comments came at a press meet that the BSEC organised at the commission building yesterday to share information about the road show that is going to be held in Dubai from February 9 to February 12.

The stock market watchdog will arrange the event in Dubai in order to attract foreign and non-resident investors.

Title of the road show would be "The rise of the Bengal tiger: potential of Bangladesh capital market".

"We will present our potential and economic development and growth track record to attract investors. We are hopeful that investment will come from that country," Islam said.

The commission has plans to arrange similar road shows in London, Rome, Toronto, New York, Hong Kong, Singapore, Shanghai and Tokyo.

Rezaul Karim, spokesperson of the BSEC, also spoke at the press briefing.

# Pran adopts aseptic processing for tomato pulp export



Women process tomatoes at a plant of Pran in Barind Industrial Park in Godagari, Rajshahi.

ANWAR ALI, Rajshahi

Pran has started aseptically processing tomato pulp at its Barind Industrial Park in Rajshahi to attain a longer shelf life for enabling its export alongside grabbing a bigger share of processed tomato sales in the country.

Being aseptic denotes free from contamination by harmful bacteria, viruses or other microorganisms.

This is achieved in food processing through sterilisation, of the product by heating and immediate cooling and of the containers using superheated steam, all the while ensuring that an aseptic sealed environment is maintained up to packaging.

"Bangladesh used to import tomato pulp to produce sauces and ketchups here. Things have changed now and we plan to start exporting our produce this year," Kamruzzaman Kamal, director of marketing at Pran-RFL Group, told The Daily Star.

"It is the tomato farmers who will be the ultimate beneficiary if we are successful. The market will grow and it will generate employment," he said.

Pran, one of the country's leading food processors, has already been exporting tomato sauce and ketchup to 60 countries, including

Malaysia, the United Arab Emirates, US, Italy and Sweden.

Around Tk 250 crore worth of tomato sauce, ketchup and paste are sold in the country a year and the market is growing at 10 per cent annually.

Pran is leading in the market with its capacity of producing 18,000 tonnes of tomato sauce a

yesterday.

This year's cultivation contracts stipulate that the company procure 12,000 tonnes of tomatoes from 10,000 farmers in Rajshahi, Natore, Chapainawabganj, Pabna and Dinajpur districts.

Last season, it procured 7,000 tonnes of tomatoes from 8,400 farmers.

increasing for its quality and high yield," said farmer Bokul Hossain.

Talking to this correspondent who was on a field visit at Basantapur village in Rajshahi's Godagari upazila, Hossain said he produces at least 10 tonnes of tomatoes from 1,337 square metres of land in the three months.

Partnering with five other farmers, he has been cultivating tomatoes on 6.69 hectares of land since 2017.

By investing Tk 20 lakh behind the cultivation, he produces 560 tonnes of tomatoes a season and earns at least Tk 60 lakh.

Pran buys tomatoes from the farmers and takes those to its state-of-the-art plant that produces tomato pulp.

Maintaining aseptic conditions, the tomatoes are washed and separated in several phases before being mechanically pulped and packed in sterile bags.

In this way the bags of pulp attain a shelf life of two years, said Sayed Sarwar Hossain, manager of Pran's Rajshahi plant.

The company finally takes the pulp to its plant in Natore for producing sauces and ketchup.

"We have plans to begin producing sauces and ketchup from our Rajshahi plant in the near future," he said.

*"Bangladesh used to import tomato pulp to produce sauces and ketchups here. Things have changed now and we plan to start exporting our produce this year," says Kamruzzaman Kamal, director of marketing at Pran-RFL Group*

year using its two plants in Rajshahi and Natore districts.

For Pran's processed tomato products, life starts through contract farming, with cultivators growing tomatoes organically.

Cooler temperatures are congenial for tomato cultivation, for which the season ranges from December to February.

This season, Pran has collected 5,200 tonnes of tomatoes until

The number of contract farmers are increasing by 20 per cent a year thanks to the efforts of Pran in providing them training and farming inputs and ensuring value of their product.

The increase depicts the growing enthusiasm among farmers for finding value for their crops.

"Other than Pran, we have customers from across the country. The demand for our product is



Prof Shibli Rubayat Ul Islam, chairman of BSEC, speaks at a press meet in Dhaka yesterday.

PHOTO: COLLECTED

## GLOBAL BUSINESS

### Chinese state newspaper omits Jack Ma from list of entrepreneurial leaders

REUTERS, Shanghai

Alibaba Group founder Jack Ma has been left off a list of Chinese entrepreneurial leaders published by state media - the snub underscoring how just far he has fallen out of favour with Beijing.

China's best known businessman was not mentioned in an front-page article published by the Shanghai Securities News. Instead Huawei Technologies' Ren Zhengfei, Xiaomi Corp's Lei Jun and BYD's Wang Chuanfu were lauded for their contributions.

It was published on Tuesday when Alibaba will also report its latest quarterly earnings. The e-commerce giant did not immediately respond to a request for comment.

The catalyst for Ma's current woes was an Oct. 24 speech in which he blasted China's regulatory system, leading to the suspension of his Ant Group's \$37 billion IPO just days before the fintech giant's listing.

Regulators have since launched an anti-trust probe into the tech sector with Alibaba taking much of the heat, while tighter regulations for Ant Group are also being considered.

Ma, who is not known for shying away from the limelight, subsequently disappeared from the public eye for about three months, triggering frenzied speculation about his whereabouts. He re-emerged last month with a 50-second video appearance.

The Shanghai Securities News said that while some of the entrepreneurs it praised had once behaved like "reckless heroes" in their efforts to break away from an old, rigid economic system, they now led "a group of companies that respected the rules of development and abided by market rules."



Chairman of Alibaba Group Jack Ma

REUTERS

## Eurozone economy shrank less than expected in 2020



People queue to receive an injection of the Moderna Covid-19 vaccine at the first Covid-19 vaccination centre in Belgium yesterday.

PHOTO: REUTERS

AFP, Brussels

The eurozone economy shrank less than expected in 2020 given the devastating consequences of the covid-19 pandemic, official data showed on Tuesday.

The Eurostat statistics agency said the eurozone economy shrank by 6.8 per cent in 2020, and by 0.7 per cent in the fourth quarter.

Though catastrophic, this was much better than the EU commission's forecast of a 7.8 per cent crash, made in November.

But early indicators show that the 19-countries that use the euro currency now face the prospect of a fresh recession after a recovery last summer was cut short by a second wave of the pandemic.

This is due to a halting start to the

vaccination campaign in Europe and continued covid-related restrictions.

The better than expected figure for 2020, though still one of the worst in history, came largely from a better performance in Germany, Europe's biggest economy.

German economic activity contracted by 5.0 per cent in 2020 and even France in the end did better than expected with a slump of 8.3 per cent, when a double digit crash was initially feared. "Restrictive measures have been adapted and have become milder compared to the first wave," said ING analyst Bert Colijn. "Think of countries like France and Spain, for example, where industry and construction have remained largely open over the course of the quarter," he added.

Colijn also cited sustained demand for EU goods from China, where

restrictions have been scarce. Help also came from Britain, where businesses stockpiled in the final months of 2020 with the impending end of the post-Brexit transition period.

Eurostat said that the 27-member state EU economy as a whole - which adds Poland and Sweden for example - shrank by 6.4 per cent in 2020 and by 0.5 per cent in the fourth quarter.

Going forward, the major risk "is that the arrival of new more transmissible variants, as well as the slow speed of vaccination programmes, delays the lifting of restrictions," remarked Jack Allen-Reynolds, Senior Europe Economist at Capital Economics. "This would have a much bigger effect on the Mediterranean economies that are more dependent on summer tourism" and not the likes of Germany, he said.

## NEWS In Brief

### Delhi court gives interim relief to Amazon in Future Group dispute

REUTERS, New Delhi

India's Future Group needs to maintain status quo with respect to its \$3.4 billion retail assets deal, the Delhi High Court said on Tuesday, giving interim relief to Amazon.com Inc as it battles to foil Future Group's asset sales to a rival.

Amazon, locked in protracted legal disputes with Future, alleges the Indian firm violated contracts by agreeing to sell its retail assets to rival Reliance Industries last year. Future denies any wrongdoing.

A judge hearing Amazon's plea on Tuesday said immediate orders were necessary to protect the US company's rights, saying Future should maintain status quo for now.

Indian stock exchanges last month cleared Future's deal with Reliance, despite Amazon's repeated requests to regulators to block the deal.

### Pfizer sees about \$15b in 2021 sales from Covid-19 vaccine

REUTERS

Pfizer Inc on Tuesday forecast sales of about \$15 billion from the coronavirus vaccine that it is making along with German partner BioNTech.

The company said it expects total 2021 revenue of between \$59.4 billion and \$61.4 billion.



Vials and a medical syringe are seen in front of a displayed Pfizer logo in this illustration.

REUTERS/FILE