

Ctg chamber wants a raise in tax-free income limit

STAFF CORRESPONDENT, Ctg

The Chittagong Chamber of Commerce and Industry (CCCI) has proposed an increase in the tax-free income limit for individuals, women, the elderly, physically-impaired and freedom fighters in the next national budget, considering the adverse impacts of the ongoing pandemic.

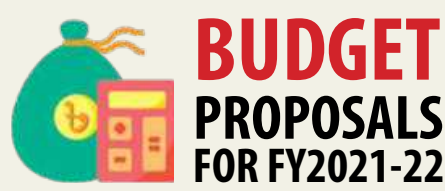
The chamber proposed that the tax-free income limit should be raised from Tk 3 lakh to Tk 4 lakh for individual taxpayers, Tk 3.5 lakh to Tk 4.5 lakh for women and elderly taxpayers above 65 years of age, Tk 4.5 lakh to Tk 5.5 lakh for the physically challenged taxpayers and Tk 4.75 lakh to Tk 5.75 lakh for war-injured freedom fighters.

CCCI President Mahbubul Alam yesterday placed its 14-point proposal in a pre-budget meeting organised by the chamber at the World Trade Centre in Chattogram.

National Board of Revenue (NBR) Chairman Abu Hena Md Rahmatul Munim was the chief guest at the meeting.

The next budget is vital for the nation, which is progressing ahead even after facing pandemic-induced losses, the CCCI president said.

Apart from boosting the country's economy by creating employment through investments in industrialisation, everyone needs to be proactive about achieving the targeted revenue collection, he said.



Alam emphasised the need to focus on poverty alleviation, employment creation, investment enhancement and increasing revenue collection while formulating the upcoming budget for fiscal 2021-22.

In his speech, the NBR chairman said the government imposes tax with an aim to develop local industries, production and agriculture, achieve self-reliance as well as protect the environment.

Capable people should pay tax duly and play a role in the country's socio-economic development, he said.

The chamber also proposed for taking steps to expedite tax refunds as a huge amount of money paid as 5 per cent advance tax (AT) on imports by the steel sector industrialists remain held up at the revenue department.

Mentioning that the AT is mandatorily adjusted within six months during marketing and sales, the chamber proposed cutting short the time for refunding the money to 60 days.

Raising the issue at the meeting, BSRM Group General manager (Finance and Accounts) Shekhar Ranjan Kar demanded lowering the AT rate on imports to 1 per cent from the existing 4 per cent.

Kar later told The Daily Star that his group is not getting AT refunds worth around Tk 140 crore from the government since July 2019.

READ MORE ON B2

An inspiration for new e-commerce entrepreneurs



(Clockwise from left) A traditional husking pedal, known as dheki in Bangla, is used to crush barley grain into powder, which is a little less fine than that generated by grinding machines. Powdered barley alongside mixtures of such textures of barley, Binna rice, wheat, chickpeas and red lentil have long been favourite eatings of rural Rajshahi. Such products now reach 62 districts from Rajshahi, thanks to entrepreneur Nipa Sen Gupta realising people's affinity for organic foodstuff and farm to plate models.

ANWAR ALI

Nipa Sen Gupta, a resident of Rajshahi district, had no idea that the lessons learnt in her school-life could help her grow into a successful entrepreneur amid the ongoing coronavirus crisis.

A bachelor's student in her final year at Rajshahi Government Women's College, Nipa sells heritage agricultural products and traditional food items.

She takes orders from the Women and e-Commerce (WE) forum on Facebook, which has more than 10 lakh members.

She also launched a separate buy and sell group on the popular social media platform on traditional agricultural products called "Oitijhobahi Krishir Amreto Swadh".

Nipa's journey began in 2013 without her knowing it.

Nipa had just passed her SSC from a school in her home upazila of Iswardi in

Pabna district. One day, along with her friends, she was returning home after collecting her mark sheet and certificate from the school.

"On our way home, there was a tree of Falsa fruit. The fruit was not known to everyone then, but it was tasty," Nipa said.

"We played with it and gossiped together by sitting under the tree on uncountable occasions," she added.

On her last day in school, Nipa took a number of photographs as a memorabilia of the tree.

"I loved the colour of the fruit."

Bangladesh began recognising Falsa as a local fruit in January this year.

Two years later, she settled in Rajshahi city with her husband Amreto Sarker, who works at a nongovernmental organisation.

"From the beginning of our married life, I always wanted to do something. I wanted

to stand on my own feet and help my husband run the family."

She thought about selling cooked food from home but her husband opposed the idea and insisted on putting education first.

Then the pandemic crept in. "We had no problem in the first few months but eventually had to suffer when his salary became irregular for several months. It was then I became desperate to do something."

Then, one of her friends drew her attention to the WE forum.

"I surfed the group for several days and saw hundreds of women were successfully selling their products. I felt inferior. Everyone had a different product. I could not find a product for myself to start with."

But she kept following and posting questions in the group.

One day, she posted her school-life photograph with Falsa fruits in her hand.

"I shared the photograph to entertain the group members. Even I wanted to know if there is someone having any idea of the fruit," Nipa said.

The photograph received an enormous response.

"Many were enquiring about where to find Falsa saplings and if I could supply them."

One medical student from Jessore, Fatima Khatun, called her to ask for saplings and requested to help her finding one.

"She was telling me that she had some good memories with the fruit and she wants to raise a tree now at her home to carry the memories."

"It was for her that I began looking for the saplings at local nurseries. When I found one, I sent her a Falsa sapling by bus. She paid through bKash. It was my first earning."

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GLOBAL BUSINESS

Zara owner Inditex's 2020 profits slump on virus hit

AFP, Madrid

Zara owner Inditex said Wednesday its profits plunged in 2020 as a surge in online sales failed to make up for enforced store closures due to the coronavirus pandemic.

The Spanish textile giant, which also owns the Bershka and Massimo Dutti brands, recorded a net profit of 1.1 billion euros (\$1.3 billion) last year, a 70 per cent drop over 2019. Total sales were down 28 per cent from last year at 20.4 billion euros, as lockdown restrictions forced the closure of stores around the world, it said in a statement.

At one point last year nearly 100 percent of Inditex's stores were closed as nations imposed strict lockdown measures to curb the spread of the virus, Chairman Pablo Isla told a news conference.

Only 18 per cent of its stores were operating normally as of January 31 when Inditex's fiscal year ends, he added. Thirty percent were closed in countries like Britain that reintroduced lockdowns while the rest faced restrictions such as limits on the number of customers that can be inside at a time.

Inditex, which operates nearly 7,000 stores worldwide, expects almost all stores



REUTERS/FILE

Shoppers walk out of a Zara store amid the coronavirus disease outbreak in Madrid.

to be open again by April 12. Total sales were down 28 percent from last year at 20.4 billion euros including 6.6 billion in online sales -- an unprecedented 77 percent

increase over 2019. "Inditex has emerged stronger after such a challenging year," Isla said.

The company was late to online sales

with Zara, its flagship brand, opening its first store online in 2010. But Inditex has since sought to quickly made up for lost time. It has spent 2.5 billion euros since 2012 to develop online sales and the company said Wednesday it plans to invest another 2.7 billion euros between 2020 and 2022. Inditex also said it had stepped up its restructuring of its shops, with the closure of 751 smaller shops and the opening of 111 flagship locations.

Euromonitor analyst Natasha Cazin said the company was "well positioned to rebound in the near future" thanks in part to its massive investment in online sales. The company has also managed to "diversify its line of products to attract consumers who are now more interested in self care and who spend more time at home" such as comfortable home wear and interior decoration items.

Inditex posted a net loss of 409 million during its first quarter which runs from February to April, its first quarterly loss in nearly two decades, as the country grappled with the first wave of the pandemic which brought the global economy to a virtual halt. Shares in Inditex closed up 1.20 per cent, outperforming Spain's Ibex-35 index which ended up 0.34 per cent.

NEWS In Brief

Most CEOs see their firms recovering by end 2021

AFP, New York

US chief executives are more optimistic about rising sales and overwhelmingly expect a recovery from the Covid-19 downturn by the end of 2021, according to a survey released Wednesday.

The Business Roundtable reported jumps in expectations for the next six months in all three categories: expected sales, capital spending and hiring. And 72 per cent of CEOs said conditions have already recovered or will have recovered by the end of 2021. That is an increase from 67 per cent in the prior quarter.

The survey is the latest to point to broadening optimism about the economic recovery, and comes as the House of Representatives is set to approve a \$1.9 trillion fiscal spending package and send the measure to President Joe Biden for final signature. "These survey results suggest that the economy is recovering, which is encouraging news, as there are many American workers, families and communities who are still hurting," said Walmart Chief Executive Doug McMillon, who is chairman of the organization.

Nokia signs patent licence pact with Samsung

REUTERS, Stockholm

Nokia has struck a deal with Samsung to license patents covering its innovations in video standards, the Finnish telecom company said on Thursday.

While the companies did not disclose the financial terms of the agreement, Samsung will make royalty payments to Nokia. Nokia's patent portfolio is composed of around 20,000 patent families, including over 3,500 declared essential to 5G.

The deal comes months after rival Ericsson filed a lawsuit in the United States against Samsung in a dispute over royalty payments and patent licenses.

The U.S. International Trade Commission said last month it would open an investigation after Ericsson claimed Samsung had infringed on some of its patents in 4G and next generation 5G wireless cellular communications infrastructure systems.



Visitors gather outside the Nokia booth at the Mobile World Congress in Barcelona, Spain.

REUTERS/FILE

Rolls-Royce plunges to worse-than-expected \$5.6b loss

REUTERS, London

British engine-maker Rolls-Royce plunged to a worse than expected 4 billion pound (\$5.6 billion) loss in 2020 as the pandemic stopped airlines flying, but stuck to its forecast to burn through less cash this year.

Rolls' model of charging airlines for the number of hours its engines fly meant much of its income dried up last year when travel stopped. In 2020, it secured a total of 7.3 billion pounds in debt and equity to help it survive.

Last year's cash burn of 4.2 billion pounds

was in line with analysts' expectations, and Rolls guided that would reduce this year to 2 billion pounds, turning positive in the second half when travel is expected to pick up. Rolls' civil aerospace arm accounts for just over half of group revenue in a normal year.

On an underlying pretax basis, Rolls posted a loss of 4 billion pounds, worse than the 3.1 billion pound loss forecast by analysts.

Despite that, the company said on Thursday its liquidity position was strong and it could cope with even in a severe downside scenario.

Its shares opened up 2.6 per cent at 116 pence.

After taking on 5.3 billion pounds of debt last year, Rolls is planning to repair its balance sheet by selling assets worth 2 billion pounds, the major part of which will be Spain-based ITP, which is currently on the block.

"Our planned sale of ITP Aero is progressing well with ongoing conversations with a number of potential buyers," Rolls said.

But its asset sale plan ran into problems this week when Norway suspended the 150 million euro sale of Rolls' Norwegian unit,

Bergen Engines, on security grounds.

Jefferies analyst Sandy Morris said Rolls had "much to do", but it was feasible. "The possibility of reaching modest net debt by end 2023 is alive," he said.

Rolls' cash flow improvement depends on airlines flying 55% of 2019 levels during 2021. The company said its assumption is for travel to gradually improve this year, accelerating in the second half as vaccine programmes progress.

Blaming tightening travel restrictions in the early part of this year, the company warned in January its 2021 cash burn would be worse than previously expected.