

Investors chide Toyota's Toyoda for questioning combustion car ban

REUTERS, Tokyo

Some Toyota Motor shareholders have criticized its President Akio Toyoda for questioning Japan's plans to ban conventional cars only days after the firm said it was reviewing its climate lobbying and aimed for carbon neutrality by 2050.

The five investors, who collectively have around \$500 billion in assets under management and spoke exclusively to Reuters, said the carmaker risks falling behind competitors that are rolling out electric vehicles, while giving cover for other companies seeking to avoid big changes to meet climate goals.

Japan's Toyota signalled a shift in its climate change stance last month when it said it would review its lobbying and be more transparent on what steps it was taking as it responded to increased activist and investor pressure.

Three days later though, in his capacity as head of the Japanese automobile Manufacturers Association, Toyoda questioned the country's decision to ban new internal combustion engines by 2035 in its quest for carbon neutrality.

"What Japan needs to do now is to expand its options for technology. I think regulations and legislations should follow after," Toyoda said.

"Policy that bans gasoline-powered or diesel cars from the very beginning would limit such options, and could also cause Japan to lose its strengths," he added.

Investors who had welcomed the earlier Toyota statement on lobbying said they were worried that Toyoda may not be on board with the plans.

"We're genuinely concerned that Mr. Toyoda does not seem to realize what is at stake here," said Jens Munch Holst, CEO of AkademikerPension.



REUTERS/FILE

Akio Toyoda, president of Toyota Motor Corporation, speaks at a news conference, where he announced Toyota's plans to build a prototype city of the future on a 175-acre site at the base of Mt. Fuji in Japan.

The Danish fund told Reuters last month that it would consider a shareholder resolution or sell its holding in Toyota if there was no change after "intense" engagement with the company.

A Toyota spokeswoman told Reuters the company could not immediately comment on the investors' criticism but would be addressing climate issues later in the week when it announces earnings. The company in recent years has said that electric vehicles will play a greater role in reducing emissions but other solutions should be used, like its successful hybrid or slow-selling hydrogen vehicles.

With pressure growing on carmakers to slash emissions, Toyota is scrambling to produce electric vehicles that can compete with models from the likes of Tesla, Volkswagen

, General Motors and Renault, plus Chinese startups like Nio and Xpeng.

The five investors who spoke about Toyoda's comments - also including Norway's Storebrand Asset Management, Nordic investor Nordea Asset Management, the Church of England Pensions Board and KLP, Norway's biggest pension fund - said Toyota was in danger of blunting its competitiveness.

"As a shareholder in Toyota, we actively engaged with the company and received reassurances that all of its lobbying activities, including with industry associations, would be reviewed and reported on this year," said Jan Erik Saugestad, CEO of Storebrand Asset Management.

"Full electrification of transport is vital if we are to meet our climate targets and Toyota should be leading the charge on this rather than prolonging the production of new combustion engines and giving away their market share to other companies," he added.

Vanguard announces 15pc cash dividend

STAR BUSINESS DESK

While the DSEX, the Dhaka Stock Exchange's benchmark index, witnessed its lowest level in nearly seven years since January 2013, Vanguard Asset Management managed an open-end mutual fund showcasing noteworthy performance even amidst the pandemic.

The Vanguard AML Growth Fund declared a 15 per cent (1.50 per unit) cash dividend for the year ending on March 31, 2021, which is 53.20 per cent of the realised earnings, says a press release.

"We put investors' interest above everything else in managing funds," said Managing Director and CEO Waqar Ahmad Choudhury.

"We are very happy to declare the cash dividend for our investors who always keep their faith on our fund management process," he added.

Choudhury urged the institutional investors to come forward and participate in Vanguard AML Growth Fund.

It is an open-ended fund that was launched for long-term capital appreciation and generating return from the money market.

UK's Provident Financial to close troubled doorstep-lending arm

REUTERS

UK's Provident Financial said on Monday it was exiting its 141-year-old doorstep-lending division, adding that it has begun a consultation process for 2,100 employees, as the pandemic delivered the final blow to the loss-making business.

What should be tax policy response to the pandemic in FY22?

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The most fundamental criticism is that there are too many VAT rates, which can cause revenue leakage and severe economic distortions. Available evidence shows that the VAT performance has not improved relative to other taxes since the new law was implemented.

The Act needs to be reviewed, and efforts may be made to return to the original VAT and SD Act, 2012, to the extent possible by consolidating various differentiated rates and turnover-based regimes into a unified structure.

The present Income Tax Ordinance, 1984, is outdated to keep pace with the changing time. So, a new income tax code is needed to put in place an efficient and modern income tax regime.

BROADENING TAX NET

Voluntary compliance may be increased by a strong and efficient third-party reporting system. The tax net may be broadened by giving emphasis on withholding taxes, reducing tax exemptions, and linking different services with the tax system.

REVIEWING TAX EXEMPTIONS

In the amended VAT Act, 2012, there are numerous provisions of tax exemptions. So is the case with the Income Tax Ordinance 1984. Time has come to review the exemptions given to individuals or corporate bodies in case of income tax and goods and services in case of VAT. The government should restrict tax exemptions.

ENHANCING TAXES ON DEMERIT GOODS

Significant increases in the taxes of demerit goods such as tobacco products, alcohol, and goods-creating pollution deserve the attention of policymakers.

The Addis Ababa Action Agenda also highlights tax and price measures on tobacco as key mechanisms to reduce demand and save lives while

increasing domestic resources for development.

Research shows that the government intervention in the form of increasing prices and SD of the low segment of cigarettes and introducing a specific tax is projected to generate substantial additional revenue in a year.

COMBATING TAX AVOIDANCE AND EVASION

Tax avoidance and evasion are rampant in Bangladesh. According to the Economic and Social Commission for Asia and the Pacific (2014), the estimated tax gap is 7.5 per cent of the gross domestic product.

Some multinational corporations try to shift money to their headquarters through the transfer pricing mechanism.

The NBR should strengthen its central intelligence cell and other intelligence offices to address tax avoidance and evasion, which exploit gaps and mismatches in tax rules.

DIGITALISATION OF TAX SYSTEM

At present, there is automation in the registration of income tax and VAT. Little automation of tax processes results in low tax compliance. Therefore, the NBR needs to fully automate the tax system and integrate the information technology in the three tax wings to create synergy.

TAX DISPUTE RESOLUTION

Dispute resolution is a key issue in taxation. Up to mid-March 2021, some 33,318 tax cases were pending in different courts, involving about Tk 66,114 crore, according to data from the NBR.

For resolving tax disputes, the NBR can take a two-pronged approach: taking the initiative to get the pending cases disposed of and reducing the tax pendency in the courts by strengthening the mechanism of alternative dispute resolution (ADR).

This is likely to bring a huge chunk of money to the government exchequer. We may follow the South Africa model that disposes of more

than 80 per cent tax cases through the ADR mechanism.

STRENGTHENING NBR

The government should redefine the status and regulatory powers of the NBR, delineate the relationship between the Internal Resource Division and the NBR, restructure the NBR and its field formations by function and type, ensure adequate coordination among the three tax wings, provide service to taxpayers through a web-enabled tax administration (e-registration, e-filing of tax returns, e-payments, e-refunds), introduce incentive schemes for NBR officials, develop a strategic communication and taxpayer outreach and education programme, and develop human resources and institutional capacity of the NBR.

FINANCIAL INCLUSION

According to the Labour Force Survey 2016-17, more than 85 per cent of the people are employed in the informal sector, of whom about 92 per cent are women. The pandemic has added more people to the informal sector. The government can generate additional revenue by bringing the informal sector into the formal one through financial inclusion.

IMPROVING GOVERNANCE IN REVENUE SECTOR

There are allegations of corruption in the revenue sector. Therefore, combating corruption is needed to reduce the cost of doing business and boost revenue collection.

ESTABLISHING REVENUE REFORM COMMISSION

The government may establish a Revenue Reform Commission to analyse the tax system and make specific, measurable, achievable, realistic and time-bound recommendations to reform the tax policy and the tax administration.

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Stocks cheer prospects for low rates, oil jumps on pipeline outage



A passerby wearing a protective mask is silhouetted in front of a screen of blank prices on a stock quotation board after Tokyo Stock Exchange temporarily suspended all trading due to system problems, amid the coronavirus disease (Covid-19) pandemic, in Tokyo, Japan.

REUTERS, Milan

World stocks ticked up to new peaks on Monday on bets interest rates will remain low and the economy continue its recovery, while oil prices jumped after a cyber attack on a US pipeline operator unnerved markets.

MSCI's gauge of stocks across the globe hit a fresh record high and was up 0.1 per cent by 0740 GMT, driven by gains across Asian markets overnight and a steady open in Europe. Europe's STOXX 600 regional benchmark was up 0.1 per cent in early deals, while MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.4 per cent. S&P 500 futures were flat while Nasdaq futures fell 0.5 per cent.

US nonfarm payrolls data on Friday showed jobs growth slowed much more than expected in April in a shock release that gave equities a lift but put downward pressure on the dollar and US Treasury yields.

"A statistical fluke and/or a temporary pause in labor market demand is the likeliest culprit for this report. However, the Federal Reserve cannot afford to adjust policy without concrete proof of a stronger labor market recovery," said Natisis economist Troy Ludtka.

On Friday the Dow Jones Industrial Average and the S&P 500 rose to record

closing highs as the disappointing data on the US jobs market eased concerns about a spike in consumer prices.

In recent weeks, some investors had been placing bets that a robust US economic recovery from the coronavirus pandemic would force the Federal Reserve to tighten policy earlier than the central bank has outlined. However, the weak nonfarm payrolls report caused a rapid reversal in some of these trades, which rippled through stocks, bonds, and major currencies.

US President Joe Biden said after the report that the figures showed the economy was not at risk of overheating and underscored how vital his administration's economic actions are.

"In the end, it is the best of all possible worlds for equities: robust economy, strong earnings, but no monetary policy tightening and more fiscal spending coming," said Giuseppe Sersale, fund manager at Anthilia in Milan.

The focus now shifts to US consumer price data due on Wednesday, which will help investors determine whether they need to scale back their inflation expectations even further.

The dollar index against a basket of six major currencies edged up 0.17 per cent to 90.301 but was just above its lowest since February 25 hit earlier in the session.

Committee formed to address challenges

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Generally, countries that are comparatively weaker among the developing countries are considered LDCs. The group was formed in 1971.

Bangladesh was included in the list in 1975.

If everything goes well, Bangladesh will be positioned in the club of developing countries after five years. Recently, it has been recommended to graduate from the list of LDCs.

The final recognition is given at the UN General Assembly three years after the final recommendation is provided by the UN Committee for Development Policy (CDP). Such a recommendation is made if a country achieves a certain standard in triennial assessments twice in a row.

But the duration has been extended by two years to enable preparations to deal with the effects of the coronavirus pandemic. Bangladesh had asked for additional two years during a meeting with the CDP on January 15.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, told The Daily Star that a concerted effort had been taken, and that was really a good thing.

"Now is the time. We do not have much time to take preparation. In the next five years, we have to take preparation at various stages," he said.

"We need to make preparations for the impact this will have on various sectors of the economy. And it is needed to take the necessary preparation to build up various economic partnerships in future."

Rahman called for forming a negotiation cell so that "we can easily find out the offer list and request list of what we give and what we want. This is a very important issue."

"We have to find out what our offensive and defensive interests are and which are related to that. And then they have to work. Along with that, an overall vision is needed for us," he said.

The committee will fully monitor the whole thing, he said.

The members of the committee are senior secretaries of the information technology division, the finance division and the commerce ministry, chairman of the National Board of Revenue, a member of the general economics division, the secretary of the PMO, the Economic Relations Division, foreign, agriculture, environment and Liberation War Affairs ministries.

The executive chairman of the Bangladesh Investment Development Authority, chairman of the Bangladesh Trade and Tariff Commission, president of the Federation of the Bangladesh Chambers of Commerce and Industry, the Bangladesh Garment Manufacturers and Exporters Association, the Dhaka Chamber of Commerce and Industry, the Bangladesh Association of Pharmaceutical Industries, and Planning Commission Member Sharifa Khan are also in the committee.

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e-Tender Notice
Tender Notice No. 122/EED/BARI/Project Code: (1250301-120001601-3258108) e-Tender/2020-21 Date: 09/05/2021

Name of Project: Repair/Renovation of Govt. Educational Institutions.

e-Tender is invited through the National e-GP Portal for the following procurement of works.

Sl.	Name of the tender	Tender ID	Type method	Last date & time of selling documents	Last date & time of submission documents
01	Govt. Rev-08: Repair & Renovation work of Boundary wall at Barishal Govt. Girls High School, Sadar Upazila Barishal District.	566176	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
02	Govt. Rev-09: Construction of Toilet in/c Sanitary and repair works of west Academic Building at Govt. Girls High School, Sadar Barishal District.	566177	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
03	Govt. Rev-10: Construction of Internal Road at Govt. Girls High School, Sadar Upazila Barishal District.	566178	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
04	Govt. Rev-15: Repair & Renovation work of Head Master Old House at Barishal Zilla School, Sadar Barishal District.	566182	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
05	Govt. Rev-14: Repair & Renovation work of Mathematics Building in/c stair room at Govt. Barishal College Sadar Barishal District.	566181	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
06	Govt. Rev-13: Repair & Renovation work of Academic Internal Room in/c grill pointing at Barishal Govt. College Sadar Barishal District.	566180	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
07	Govt. Rev-12: Construction of Internal Road and Boundary wall at Barishal Govt. Mohila College Sadar Barishal District.	566179	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
08	Govt. Rev-16: Repair & Decoration work of Academic Building Hall Room at Barishal Zilla School Sadar Barishal District.	566184	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
09	Govt. Rev-17: Repair & Renovation work of Prayer Room Toilet and ablution place at Barishal Zilla School Sadar Barishal District.	566185	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
10	Govt. Rev-17: Repair & Renovation work of Toilet Block at Barishal Zilla School Sadar Barishal District.	578080	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
11	Govt. Rev-11: Repair & Renovation work of 03-storied Rawshon Jahan Girls Hostel roof in/c Toilet at Barishal Govt. Mohila College Sadar Upazila Barishal District.	578079	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender document of following packages from the National e-GP System Portal have to be deposited online through any registered banks branches. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

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Executive Engineer
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GD-945