

Shop owners in Sylhet, Rangpur in a festive mood at last



People thronged different shopping centres in Rangpur and Sylhet to complete the last minute shopping. This photo was taken on May 8 afternoon from the Federal Trade Centre at Zindabazar in Sylhet city.

DISTRICTS IN FOCUS

DWOHA CHOWDHURY and KONGKON KARMAKER

Various businesses across the Rangpur and Sylhet regions are seeing an influx of customers ahead of Eid-ul-Fitr, which is likely to be celebrated on May 13 this year.

The demand for clothing items has soared in the two divisions, where traders are now struggling to keep up with the added orders.

As a result, workers at Benarashi Palli in Rangpur's Gangachara upazila, a region famous for its handmade saris, are practically putting in 24-hour shifts, according to traders.

Benarashi Palli houses around 72 handloom garment factories and it is just 12 kilometres away from Rangpur City. It is a popular shopping destination for locals.

Besides, the region's public transport system also benefits from increased customers as the city's affluent often use auto-rickshaws, taxis, and so on to visit factories and showrooms for Eid shopping.

Benarashi saris are known for their decorative multi-colour designs with the Jhut, Kota, Net, Chundari and Ranguli varieties being popular choices.

Other than physical sales, online sales have also picked up thanks to the saris' affordable prices.

As such, Benarashi Palli has become a vibrant place once again ahead of the country's biggest religious festival, which comes as a much needed change of pace considering how the coronavirus outbreak had decimated sales last year.

Other than traditional saris, there is high demand for three-pieces, Jamdani and silk saris as well.

Many traders in the area said that

they are making affordable clothing for all quarters ahead of Eid.

Cheaper saris can be bought for between Tk 1,000 to Tk 3,000 while the high quality ones are priced between Tk 5,000 to Tk 12,000.

Similarly, each Jamdani sari is sold for between Tk 1,000 to Tk 9,000.

Farida Rahman, owner of Fyaz Benarashi, said their sales increased manifold at the wholesale and retail levels ahead of Eid.

"Shopping gained momentum when Ramadan began," she added.

However, many factories struggled to procure raw materials amid the ongoing nationwide lockdown aimed at curbing the spread of Covid-19.

Following a recent surge in coronavirus infections across the country, the government imposed a week-long lockdown on April 14.

Although the restrictions on public movement and other measures were eventually extended

until May 16, shopping centres were allowed to reopen on April 25 in order to recover their Eid sales.

Nazmoon Nahar, a resident of Rangpur City, said she buys most of her clothing items from Benarashi Palli as products are cheaper here than that of shopping malls in the city.

Other than showrooms, roadside stalls have also seen a notable increase in customers.

Nishat Rahman, a roadside trader in Rangpur City, said he was concerned about customer turnout ahead of Eid due to the lockdown.

"It was a big challenge to collect the items to be sold but finally I succeeded," Rahman added.

Similarly, the major shopping areas in Sylhet, such as Zindabazar, Bandabazar and Kumarpara, are bustling with activity.

Still though, local traders allege that this year's customer turnout is nowhere near pre-pandemic levels.

"Considering the complete loss incurred last year due to the pandemic, I bought more clothes this year, said Anwar Chowdhury, proprietor of Toha Fashion at Shukria Market in Zindabazar.

"But the closure of all shops until April 25 has already caused huge losses and so, we don't know if we can manage our expenses this season," he added.

On the other hand, Zaman Hadi, managing partner of Raisan, a new fashion brand at Kumarpara, said that customer turnout had not reached satisfactory levels but was acceptable considering the pandemic situation.

"All businesses are incurring losses amid the ongoing crisis but since we were able to reopen this season, we may recover something by the end," said Mahi Uddin Ahmed Selim, president of the Nayasarak Business Association.

Subsequently, local tailors were also hit hard by the lockdown.

"We normally get orders in the first weeks of Ramadan but we were closed then due to the lockdown," said Isha Ahmed, a tailor at Nehar Market in Zindabazar.

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

OPINION



NASIRUDDIN AHMED

In the Addis Ababa Action Agenda 2015, which aims to provide a global framework for financing the Sustainable Development Goals, countries committed to enhancing revenue administration through modernised, progressive tax systems, improved tax policy, and more efficient tax collection.

It also committed to improving the fairness, transparency, efficiency and effectiveness of the tax systems, including by broadening the tax base and continuing efforts to integrate the informal sector into the formal economy in line with country circumstances.

With the tax-GDP ratio hovering around 10 per cent, Bangladesh's tax-GDP ratio is much below the average of South Asian countries (16.4 per cent). This is mainly because of the poor tax compliance rate, in both income tax and value-added tax (VAT), which contribute about 80 per cent

to the revenue collection of the National Board of Revenue (NBR).

The Eighth Five-Year Plan, covering FY21 to FY25, has set the target of raising the tax-GDP ratio to 12.26 per cent by 2025.

The Covid-19 pandemic underlines the need for a strong, resilient domestic financial system, which is stable, facilitates an inclusive economy, and provides public goods such as the universal health system. Effective public revenue generation is of critical importance to finance the kind of system that is better able to deal with the pandemic.

Against the background, the NBR needs to prepare and implement a five-year tax modernisation plan. The plan may aim at reforming both tax policy and tax administration to improve tax compliance.

REFORMING TAX LAWS

The VAT and SD Act, 2012, implemented in July 2019, appears to be largely a return to the structure of 1991. It is widely regarded as a missed opportunity to reform the task in a positive direction. Although the standard VAT rate is 15 per cent under the VAT Act, there is currently a multitude of applicable VAT rates.

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People take assistance for filing tax returns at a tax fair in Chattogram city in November 2018.

PHOTO: STAR/FILE

US government working to aid top fuel pipeline operator after cyberattack

REUTERS

The White House was working closely with top US fuel pipeline operator Colonial Pipeline on Sunday to help it recover from a ransomware attack that forced the company to shut a critical fuel network supplying populous eastern states.

The attack is one of the most disruptive digital ransom schemes reported and has prompted calls from American lawmakers to strengthen protections for critical US energy infrastructure from hacking attacks.

Commerce Secretary Gina Raimondo said the pipeline fix was a top priority for the Biden administration and Washington was working to avoid more severe fuel

3 per cent to \$2.217 a gallon, the highest since May 2018, as trading opened for the week and market participants reacted to the closure.

Colonial transports roughly 2.5m barrels per day of gasoline and other fuels from refiners on the Gulf Coast to consumers in the mid-Atlantic and southeastern United States.

Its extensive pipeline network serves major US airports, including Atlanta's Hartsfield Jackson Airport, the world's busiest by passenger traffic.

A Charlotte Douglas International Airport spokesperson said the airport had supply on-hand and was "monitoring the situation closely," adding that the complex



REUTERS/FILE

Holding tanks are seen at Colonial Pipeline's Charlotte Tank Farm in Charlotte, North Carolina, US.

supply disruptions by helping Colonial restart as quickly as possible its more than 5,500-mile (8,850 km) pipeline network from Texas to New Jersey.

"It's an all hands on deck effort right now," Raimondo said on CBS' "Face the Nation" program.

"We are working closely with the company, state and local officials, to make sure that they get back up to normal operations as quickly as possible and there aren't disruptions in supply."

Colonial said on Sunday its main fuel lines remain offline but some smaller lines between terminals and delivery points are now operational. Neither Raimondo nor the company gave an estimate for a full restart date and Colonial declined further comment on Sunday.

US gasoline futures jumped more than

is supplied by another major pipeline as well as Colonial.

Retail fuel experts including the American Automobile Association said an outage lasting several days could have significant impacts on regional fuel supplies, particularly in the southeastern United States. During previous Colonial outages, retail prices in southeastern states have risen substantially.

Officials of governors in several of the US states most vulnerable to fuel shortages - including Tennessee, Georgia and Maryland - were not immediately available for comment.

While the US government investigation is in the early stages, a former US official and three industry sources said the hackers are suspected to be a professional cybercriminal group called DarkSide.

GLOBAL BUSINESS

Pandemic surge in European house prices raises fears of new bubble

REUTERS, Berlin

If Sweden's government gets its way, Bromma airport on the western edge of Stockholm will shut down and be used to build around 30,000 new homes, helping to ease a housing shortage that has sent prices in the capital soaring.

Sweden is not alone in seeking innovative ways to boost the supply of housing and, ultimately, reduce a build-up of mortgage debt that threatens the wider economy.

In many big European cities, prices have been rising for decades, pushed higher by a cocktail of low interest rates, land shortages and construction that cannot keep pace with demand.

At Berlin's former Tegel airport, closed in November last year, the city's authorities are planning to build more than 5,000 apartments. Politicians are also looking at whether they can build social housing at the former Tempelhof airport in the heart of the city.

"In the medium term, we



REUTERS/FILE

The main building and the Control Tower are seen during the media tour at the former Berlin Tegel airport, as the city's authorities are planning to build there more than 5,000 apartments, in Berlin, Germany on May 4.

need some 200,000 additional apartments," Berlin Housing Senator Sebastian Scheel said, adding that half of those apartments should be built by the public sector and subsidised under social housing rules. Despite the deep effects of the

pandemic on Europe's economies, prompting comparisons with the 2008 financial crisis, property price rises have picked up speed over the last year.

Demand from stay-at-home workers desperate for space for an

office has contributed to the price surge, while unprecedented fiscal and monetary stimulus aimed at keeping economies afloat have poured more fuel on the fire.

British Finance Minister Rishi Sunak's March budget extended a temporary cut to property purchase tax and announced a new scheme to help first-time buyers struggling to raise a deposit. British house prices recorded their biggest monthly rise in more than 17 years last month.

"What we were expecting to see was much the same as 2008 - that prices would drop," Kate Everett-Allan, Head of International Residential Research at property consultancy Knight Frank, said.

"We had no idea the extent to which governments were going to support the market." In Berlin, prices are up 11 per cent over the last year, the Global Property Guide, a residential property research site, showed.

And rising rents are a big problem for the city, where only about 17.4 per cent of the population own their house or apartment.

G7 should invest \$10 trillion to stoke climate-friendly recovery

REUTERS

G7 countries should invest \$10t to stoke an investment-driven recovery that puts Covid-19 vaccines in arms and triggers a sweeping energy transformation to slow climate change, according to a report requested by Prime Minister Boris Johnson.

US President Joe Biden is expected to join other Group of Seven leaders at a G7 summit chaired by Britain's Johnson in Cornwall, southern England, on June 11-13.

Founded in 1975 as a forum for the West's richest nations to discuss crises such as the OPEC oil embargo, the G7 will discuss what it perceives as the biggest threats: China, Russia, climate change and the coronavirus pandemic.

Nicholas Stern, professor of economics at the London School of Economics, said in a report for Johnson that the G7 was a crucial opportunity for the West's richest economies to make a real change to the global economy.



British Prime Minister Boris Johnson

"The transition to a zero-emissions and climate-resilient world provides the greatest economic, business and commercial opportunity of our time," Stern said in the report.

"At the heart of the proposed vision for the economic response to the pandemic is a coordinated global programme of investment

for recovery, reconstruction and transformation that can boost all forms of capital - physical, human, natural and social," Stern said.

G7 countries, he said, should set a collective goal to raise annual investment by 2 per cent of GDP above pre-pandemic levels for this decade and beyond and improve the quality of investment - equal to about \$1t per year in additional investment over the next decade.

The G7 leaders should ensure a timely global roll-out of vaccines by immediately closing the \$20 billion funding cap of COVAX, a global programme to provide vaccines mainly for poor countries.

After Johnson called for countries to do more than produce "hot air" rhetoric on climate, the report said the G7 should come up with credible ways to meet Biden's climate goals.

The G7 should commit to eliminating all fossil-fuel subsidies no later than 2025, lead a sweeping energy transition, end overseas support for fossil-fuel investments and consider a minimum corporate profit tax of 21 per cent.