

Barishal launch owners demand cash incentive

Kuakata hoteliers seek low-cost loans in next budget

DISTRICTS
IN FOCUS

SUSHANTA GHOSH

Business leaders and trade bodies in Barishal have urged the government to ensure adequate support for them in the upcoming national budget such that they can survive the Covid-19 fallout.

For example, launch facilities are a vital service in the country's southern regions, where at least 500 vessels of all sizes sail back and forth from Dhaka, according to Saidur Rahman Rintu, vice-president of the Bangladesh Launch Owners Association.

"We are in trouble because launch services have been halted due to Covid-19," he said.

The industry employs about 30,000 people, many of whom did not receive their salaries amid the current crisis.

"So, we are demanding that a Tk 20 crore provision for cash incentives for this sector be kept in the upcoming budget," he added.

Rintu went on to say that there are shipbuilding yards in seven or eight points across the southern region that produce 20 to 25 vessels each year.

Similarly, other businesses have demanded low interest loans or cash incentives in the next budget.

Motaleb Sharif, secretary of the Kuakata Hotel Motel Owners Association, said that the tourism sector has virtually collapsed amid the ongoing coronavirus pandemic.

There are hotels of varying size all over the seaside town, where around Tk 1,000 crore has been invested in the industry that employs about 2,000-3,000 locals.

Other than those directly employed by hotels, there are a few thousand others who indirectly benefit from the industry, which has been left devastated by two prolonged nationwide lockdowns



There are shipbuilding yards in seven or eight points across the southern region that build 20 to 25 vessels each year.

PHOTO: STAR/FILE

RUN-UP TO BUDGET FOR FY2021-22

aimed at curbing the spread of Covid-19.

Many hotels have halved the number of employees on their payroll while others are unable to even manage that much.

"But no intensive care has been given to the industry as of now and so, we want loans with four to five per cent interest so that we can pay the arrears," Sharif said.

Mizanur Rahman, president of the BSCIC Industry Owners' Association in Barishal, said that Tk 1.2 crore has been allotted for its members.

"But we are demanding double

that so everyone can take advantage of this opportunity," he added.

Rahman, also managing director of Fortune Shoes, went on to say that he was unable to export leather goods worth around Tk 200 crore despite receiving orders.

Shipments bound for the EU will have to wait at least until November, forcing Rahman to hold on to his stocks.

So, he demanded that collecting interest on loans be suspended or rescheduling facilities be provided.

A large amount of hilsa fish is shipped from Barishal to neighbouring India each year with exporters getting just 2 per cent as a cash incentive for the job.

"This is basically nothing," said Nirab Hossain Tutul, a hilsa exporter and proprietor of Mahima Enterprise.

Masud Ara Momi, deputy chief of the Department of Fisheries, told The Daily Star that 1,875 tonnes of hilsa was exported in fiscal 2020-21 while it was 476.56 tonnes the previous year.

Vanu Lal Dey, managing director of Amrita Consumer Food Products in Barishal, said the government should take measures to bring natural gas from Bhola through a pipeline.

"So, it should prepare a project in this regard and keep an allocation for it in the next budget," added Dey, also a director of the Barishal Chamber of Commerce and Industry.

He also demanded an appropriate allocation in the budget for speedy implementation of the Bhangra-Barishal-Kuakata four-lane road project.

Should black money be legalised in FY22?



NASIRUDDIN AHMED

OPINION

income (black money) does not come under the purview of voluntary disclosure of undisclosed income.

Usually, black money is earned in cash from various illegal activities and is not declared for paying tax.

Two points may be considered for discussion: source of income and special tax rate. Taxpayers are now able to make any disclosure of undisclosed cash, bank deposits, savings certificates, shares, bonds or any other securities on paying taxes at a rate of 10 per cent. But the legal provision that persons disclosing undisclosed income shall not be questioned about the source of undisclosed income by any authority does not seem to be tenable as per the constitutional provision. This is because the constitution does not allow legalising income from illegal sources (unearned income).

The special tax treatment was given in different regimes since independence. An undisclosed income of about Tk 30,824 crore was disclosed so far, and an amount of about Tk 3,900 crore was collected as tax.

However, the response of voluntary disclosure of undisclosed income was little except for the current fiscal year. The response in this fiscal may be attributed to the legal provision that persons investing the undisclosed income in a specified sector shall not be questioned about the source of undisclosed income by any authority. Moreover, the holders of undisclosed income might have felt safe to disclose their undisclosed income during the pandemic.

In recent times, there have been many discussions as to whether black money should be legalised in the budget for FY22. But most of the discourses have focused on trend analysis of disclosure of undisclosed income in different regimes rather than analysing legal issues of the topic.

The constitution of Bangladesh stipulates that the state shall endeavour to create conditions in which, as a general principle, persons shall not be able to enjoy unearned incomes. So, the constitution does not give any scope for disclosure of unearned income.

While earned income arises from a person's contribution to the production of goods and services, unearned income may accrue from tax evasion, money laundering, informal economy etc.

In the current fiscal year, there is a legal provision for special tax treatment in respect of investment in securities at a 10 per cent tax rate under Section of 19AAAA, and special tax treatment in respect of undisclosed property, cash, etc. at 10 per cent tax rate under Section 19AAAAA of the Income Tax Ordinance, 1984.

The Income Tax Ordinance, 1984 uses the term undisclosed income. By undisclosed income, we mean the income not shown in the income tax return. As per the constitutional provision, the source of income must be legal. But it was not shown in the income tax return due to any reason. Therefore, the question of illegal

LEGALISATION OF BLACK MONEY AND TAX PAID
(In crore taka)

PERIOD	DECLARED INCOME	TAX
1971-75	2.25	0.19
1976-80	50.76	0.81
1981-90	45.89	4.59
1991-96	150.79	15.08
1997-00	950.41	141.24
2001-06	827.74	102.77
2007-09	1,682.99	911.32
2010-13	1,805.01	230.41
2014-20	11,107.43	1,073.51
2020-21 (July-March)	14,200.70	1,420.07

SOURCE: NBR

Second, legalising black money at a 10 per cent tax rate in the budget is morally unacceptable as it creates discrimination between honest taxpayers and dishonest taxpayers. Ultimately, it leads to low tax compliance. Therefore, the government does not derive much benefit from this facility. Rather, it gives a wrong message to the society and international community about the state of governance in the country.

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India start-ups eye pandemic profits

AFP, Mumbai

After dealing with two coronavirus funerals in two weeks, Raj Sharma was too grief-stricken to negotiate a third with profiteering hearse drivers and crematoriums, so he turned to one of the many new businesses that have sprung up around India helping struggling people while also turning a tidy profit.

Sharma -- not his real name -- was reeling from the loss of a third friend when he heard of Anthyesti Funeral Services, which provides "end-to-end" coronavirus funerals in four cities.

"They pick up the body from the hospital and take care of everything," the 48-year-old New Delhi professor told AFP.

Anthyesti's Covid package cost about 30,000 rupees (\$400) -- a bargain compared with the prices charged by hearse services that can be up to five times higher. It brought him "mental peace that is worth any price".

The company is one example of how entrepreneurs are discovering opportunities as India grapples with a worsening coronavirus crisis, offering a range of new services from funerals to Bollywood film set cleaners to budget deliveries.

Anthyesti -- which means "last sacrifice" in Sanskrit -- was founded in 2016 by former software engineer Shruthi Reddy Sethi, who wanted to clean up India's unregulated funeral industry.

But the 36-year-old never anticipated the dystopian impact of Covid-19, with shortages of space in morgues, ambulances and even wood for funeral pyres. In many cases, relatives have had to wait days to bury or cremate their loved ones.

"Where do these families go? They're just laying the bodies in a line at the cremation grounds, waiting for their turn to come," Sethi told AFP. "The biggest benefit that we are offering is that our team is actually doing the waiting on the client's behalf."

"Sethi provides medical insurance

for the cremation workers, undertakers, embalmers and ambulance drivers that Anthyesti relies on -- a rarity in an industry notorious for exploiting poorly-paid labour. The firm's revenues increased 20 percent last year and she expects turnover to double in 2021.

While businesspeople like Sethi have adapted their firms during the Covid crisis, others have set up entirely new ventures.

When a nationwide lockdown last year put a stop to movie shoots, film-maker Aditya Gupta spent weeks binge-watching



AFP

The coronavirus pandemic has provided new opportunities to entrepreneurs offering a range of services from funerals to Bollywood film set cleaners.

US business reality show "Shark Tank", little expecting that the entrepreneurial lessons would prove useful.

As shoots resumed, the 34-year-old realised that his industry was totally unprepared for the pandemic fallout.

"On Indian film sets, no one's looking into health and safety like they should," he told AFP.

He set up Life First Sanitisation last July, and has since worked with Netflix, Amazon Prime Video, Disney+ Hotstar and leading Bollywood production houses.

The company carries out Covid tests for cast and crew, sanitises spaces and equipment with ultraviolet-C light, and enforces social distancing. Work begins before dawn and Gupta's team spends 14 hours on their feet enforcing safety protocols.

GLOBAL BUSINESS

Big US firms pushed to tally progress on racial justice

AFP, New York

The killing of George Floyd prompted a wave of promises from corporate America to advance racial equity. Nearly a year later, large US companies are under pressure to show progress on fulfilling those promises.

Shareholders will vote in the coming weeks on some of those initiatives, including whether Walmart should report on the fairness of its pay scale and whether Facebook and Google/Alphabet should appoint a civil rights specialist to their boards.

Another frequently proposed option is a racial equity audit that compares a company's record with statements made in its glossy marketing materials. Proponents characterize this report as a risk-management tool that can help protect brands. "There are a good number of shareholders that recognize that this is an issue that could cause some reputational damage on a significant level," said Tejal Patel, corporate governance director at CtW Investment Group, an activist group that organized the drive at several leading companies.



AFP/FILE

Major companies pledged support for Black Lives Matter and announced investment initiatives following mass protests last spring.

Proposals calling for a racial equity audit garnered support of around 30 per cent or more of shareholders at several large companies, including Citigroup, JPMorgan Chase, Goldman Sachs and Johnson & Johnson. And later this month, Amazon shareholders will weigh a similar audit plan.

"It is a work in progress," said Olivia Knight, racial justice

manager at As You Sow, another advocacy group that has been active on proposals aimed at addressing racial justice and diversity, equity and inclusion or DEI.

The current push by activists is a response to events last spring, when police killings of Floyd, Breonna Taylor and other African Americans sparked mass protests and a national reckoning on racial justice.

In the aftermath of that uprising, large companies were quick to issue statements supporting Black Lives Matter and promising to do more to be responsive to non-white consumers, employees and communities.

Activists have greeted these pledges somewhat skeptically, in part because of corporate America's lack of progress on promoting diversity at the highest levels. The largest US companies are still overwhelmingly led by white men.

CtW and the Service Employees International Union (SEIU) late last year drafted resolutions calling for racial equity audits at eight large financial groups, several of which have settled multi-million government probes on lending discrimination in recent years.

Large mainstream banks also have a reputation for shunning inner-city neighborhoods, creating "banking deserts" that make it more likely that residents will be forced to turn to predatory lenders. The resolutions called for a once-over of firm operations, including lending practices and political contributions, that would be prepared in consultation with civil rights experts and released publicly.

Germany proposes 'climate club' to avoid trade friction

REUTERS, Lisbon

Germany wants the European Union to create a "climate club" with other countries like the United States, Japan and possibly even China to avoid trade friction linked to green tariffs such as a planned carbon border levy.

German Vice Chancellor and Finance Minister Olaf Scholz said on Saturday after talks with Portugal's Prime Minister Antonio Costa, the current holder of the EU's rotating presidency, that Europe must engage with other countries to agree joint rules and common standards on how to reduce carbon emissions.

Scholz said climate protection measures would have an impact on the competitiveness of German and European companies, especially those in energy-intensive sectors.

"And so it is a wise thing not just to discuss about how the European Union can do this and how we could avoid to have difficulties in the competition on the global market afterwards," he said.



German Finance Minister Olaf Scholz

The EU should approach other countries such as the United States, Canada, Britain, Japan and China to discuss and possibly agree on the same steps and principles.

"And to do this, it's a good idea to discuss about having a sort of a club, of people willing to do similar things and not competing each other, but fighting for a better climate

development in the world."

The 27 EU government leaders will hold a summit on May 24-25 to discuss how they plan to meet the EU's new 2030 climate goal -- a cut in net emissions of at least 55 per cent from 1990 levels.

The summit will give a steer to the European Commission, which in July will propose a huge package of climate policies to deliver the target, including carbon market reforms and more ambitious renewable energy objectives.

In June, the European Commission is also expected to present proposals on how to expand the bloc's CO2 emission trading scheme and how to shield investments in green technologies from "dirty competition" by countries with less rigid climate protection policies.

The EU has said countries will be able to avoid the bloc's proposed carbon border levy if the ambition of their climate policies matches that of Europe.