

STOCKS	
DSEX	CSCX
▲ 0.19%	▲ 0.37%
6,066.64	10,594.42

COMMODITIES	
Gold	Oil
▲ \$1,892.64 (per ounce)	▲ \$72.79 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.69%	▲ 0.34%	▲ 0.29%	▲ 0.54%
52,300.47	28,958.56	3,162.50	3,610.86

CURRENCIES			
	USD	EUR	GBP
BUY TK	83.95	101.10	117.62
SELL TK	84.95	104.90	121.42

City



Star BUSINESS

DHAKA FRIDAY JUNE 11, 2021, JAISHTHA 28, 1428 BS ● starbusiness@thedailystar.net

Relief for customers as BB cuts charges on deposits, loans

STAR BUSINESS REPORT

The central bank yesterday either lowered or eliminated charges on deposits and loans, bringing an end to the excessive fees and commissions that banks used to impose on customers.

In a new development, clients will now be able to open a savings account with an initial deposit of Tk 500 and a current account with Tk 1,000.

The central bank's decision came after certain lenders asked their clients to maintain an unusually high amount of money in their accounts.

Bangladesh Bank also cut some service charges.

For instance, a borrower previously had to count 2 per cent of the outstanding loan amount for an early settlement of a credit.

Now, clients will have to pay a 0.5 per cent charge if they settle early,

according to a central bank notice. However, banks will not be allowed to impose any early settlement fees on the loans disbursed to cottage, micro, small-and-medium enterprises (CMSMEs).

For the disbursement of loans up to Tk 50 lakh, lenders can charge a maximum of 0.5 per cent as a processing fee, which will not exceed Tk 15,000.

If the loan amount is more than Tk 50 lakh, the processing fee can be 0.3 per cent with the cap set at Tk 20,000.

In addition, banks cannot impose any loan application fees while businesses in the CMSME and farm sectors will be allowed to reschedule their default loans without any charge.

When it comes to rescheduling loans for businesses in other sectors, lenders can charge a maximum of 0.25 per cent, but no more than Tk 10,000, of the outstanding loan.

MAJOR CHANGES

Early settlement fee of loans reduced to 0.5pc from 2pc

No early settlement fee for SME clients

Loan application fee is waived

Highest loan processing fee is 0.3pc

No loan rescheduling fee for farm and SME sectors

Clients to get 2 bank statements per year without charges

Banks earlier imposed loan application and rescheduling fees on their own accord, creating a burden for clients, according to a central bank official.

Lenders were also directed to provide a balance confirmation certificate, or bank statement, to clients twice a year free of cost. After that, clients will have to pay Tk 100

for each statement.

Some banks now charge up to Tk 500-700 for the issuance of such certificates.

Other directives include withdrawing any charge on activating dormant accounts while clients will have to pay a maximum of Tk 200 to collect solvency certificates.

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Zaved Akhtar

Zaved new CEO of Unilever Bangladesh

STAR BUSINESS REPORT

Unilever Bangladesh, one of the largest fast-moving consumer goods companies, has appointed a Bangladeshi as its chief executive officer and managing director for the second time.

The new appointee, Zaved Akhtar, is currently serving as the vice president of Digital Transformation & Growth, South Asia, based in India. He is expected to join from July 1, 2021, according to a press release yesterday.

"It is wonderful to come back home as we see the amazing economic and social transformation of Bangladesh and lead a company that has been a part of everyday life of every Bangladeshi since

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Uber halts CNG service just after launch

MAHMUDUL HASAN

Uber suspended its CNG-run auto-rickshaw service in Dhaka soon after its rollout, citing "mechanical faults."

Both the introduction and suspension of the service was done without making any official announcement. The San Francisco-based ride-hailing company did not issue a statement on the matter despite always having done so in the past when announcing any new move.

Some customers had come across the service while using the app to request a ride.

After seeing "CNG service" on the Uber app, Imran Hossain, a private job-holder, requested a trip to go to Bangabandhu Sheikh Mujib Medical University from Shahjadpur in the capital.

"My request was accepted, and the app showed the fare to be about Tk 300. However, it was cancelled after a few minutes. Now the app does not display the CNG service option," Hossain told The Daily Star yesterday.

The Daily Star obtained several screenshots showing the route of a trip on the app and the messages Uber sent to its customers following the cancellation of a request. "Our CNG service will remain suspended for a temporary period because of mechanical faults. We will come back with our next update soon," Uber wrote in a message.

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MA Mannan

Man behind the rise of Butterfly

JAGARAN CHAKMA

Butterfly Group has made its name in Bangladesh with its consumer electronics available on hire purchase, transforming in 34 years from just three outlets to employing around 2,000 employees and having an annual turnover of Tk 850 crore.

Working behind the scenes was its founder and chairman MA Mannan, who breathed his last on June 9 at the age of 78. He left behind his wife, two sons and a daughter.

Mannan's life started off no different than any other ordinary Bangladeshi. Born in Gazipur's Sreepur

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Regulatory environment should improve further

Says FICCI chief



REFAYET ULLAH MIRDHA

Bangladesh needs to bring in further progress to the business regulatory environment in order to retain and attract foreign investors, said the top leader of the trade body of global firms operating in the country.

"The proposed corporate tax cut is not enough. Other facilities like the ease of doing business are also needed," said Rupali Chowdhury, president of the Foreign Investors' Chamber of Commerce and Industry (FICCI).

The platform has welcomed the 2.5 percentage points cut in the corporate tax rate for the next fiscal year.

While unveiling the budget last week, Finance Minister AHM Mustafa Kamal proposed to cut the tax on non-listed companies to 30 per cent from 32.5 per cent and the rate for listed companies to 22.5 per cent from 25 per cent for the next fiscal year, starting July 1.

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Rupali Chowdhury

Bangladesh's stock market a hidden gem: HSBC

STAR BUSINESS REPORT

Thanks to the potential of the country's listed companies, HSBC has termed Bangladesh's stock market as a "hidden gem" for fund managers.

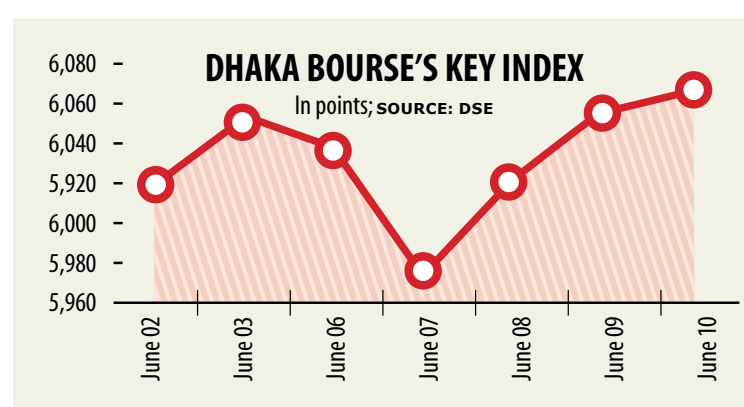
Although Bangladesh has higher earnings growth, the sell-side remains limited, the British multinational investment bank said in a report on the Asia frontier titled, "Bangladesh at 50: ready to close the gap with Vietnam".

With a market cap-to-GDP ratio of just 14 per cent, the country deserves more attention than it gets, it added.

Although the market is small, illiquid and not that easy to access, so was Vietnam's five years ago.

Besides, the two markets were similar in size until 2015, but Vietnam's has grown four times in size since then.

"We think Bangladesh is ready to close the gap as the country is less correlated with the global macro and equity themes than Vietnam and also receives far less attention from analysts, creating opportunities for fund managers



looking for diversification and a hidden gem," the bank said.

Large Vietnamese companies are covered by the sell-side but this is not the case in Bangladesh, which is a fertile ground for fund managers.

Bangladesh's stock market is where Vietnam's was five years ago and is well placed to start closing the gap.

"Bangladesh is on a similar growth trajectory to Vietnam, the frontier market we have long favoured which now has higher trading turnover than Singapore," HSBC said.

agriculture, large industries, and garment companies.

The main issue is a standard credit information system while recovering loans is complex and time consuming.

"The weak asset quality of Bangladeshi banks, especially in the public sector, remains a concern," it added.

However, Vietnam's banks used to have a similar problem with NPLs but thanks to strong growth in profitability, their balance sheets are now stronger.

HSBC went on to say that Bangladesh's pharma market has the potential to cross \$6 billion by 2025 as the government is easing its drug approval policies.

The country sources most of its raw materials from China and India but that is set to change as the government is setting up an industrial park to make active pharmaceutical ingredients.

In addition, leading companies have secured US FDA approval, giving them access to high-margin western healthcare markets, it added.

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Raise tariff on imported tiles

Local ceramic makers urge govt



STAR BUSINESS REPORT

Ceramics makers yesterday demanded an increase in the tariff on imported tiles and withdrawal of the local supplementary duty on tiles and sanitary products to protect the domestic industry.

There has been a 15 per cent supplementary duty on tiles and 10 per cent on sanitary items for the last several years. The budget for the next fiscal year has kept the duties unchanged.

Finance Minister AHM Mustafa Kamal has also proposed to cut the tariff on imported tiles by \$1 per square metre, which will bring down the price of foreign items by Tk 12 per square foot.

The government reduced the import tariff by the same margin in the outgoing fiscal year.

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BY THE NUMBERS

- Total investment: Tk 8,959cr
- Demand rising by 20% a year
- Sales in local market in FY20: Tk 6,560cr
- Sector meets 80% of local demand
- Bangladesh meets 0.14% of global demand

How to maximise tax benefits?

Time to invest for claiming tax rebates

SOHEL PARVEZ

When Finance Minister AHM Mustafa Kamal unveiled his plans for the next fiscal year, many had expectations that the minister would offer some relief to individual taxpayers and enable them to have higher disposable incomes to tide over the pandemic days.

The cost of living has gone up due to the rising price of food and other expenses amid the ongoing coronavirus crisis while the second wave of infections has only added pressure on everyone's wallets.

But expectations remained unfulfilled. The finance minister had offered no relief, making taxpayers like Kazi Md Anisur Rahman, a banker, feel a bit upset for not having any cushion against the ongoing pandemic.

Kamal made no move to leave the disposable incomes of individual taxpayers' intact so that they could increase precautionary savings to overcome the tumultuous situation.

His tax liability will not reduce, although his expenditure for living, transport and



hygiene increased over the last one year. He sees his disposable income is going to decline. However, being a banker and a finance graduate, Rahman has perfectly planned to invest part of his income to reap the full benefit of tax rebates on investment.

For the next fiscal year, when the taxpayers will have to submit returns of their income and asset in the current income year 2020-21, a taxpayer can invest 25 per cent or up to Tk 1 crore of his or her annual income to claim a tax rebate, according to the tax measures proposed by the National Board of Revenue (NBR).

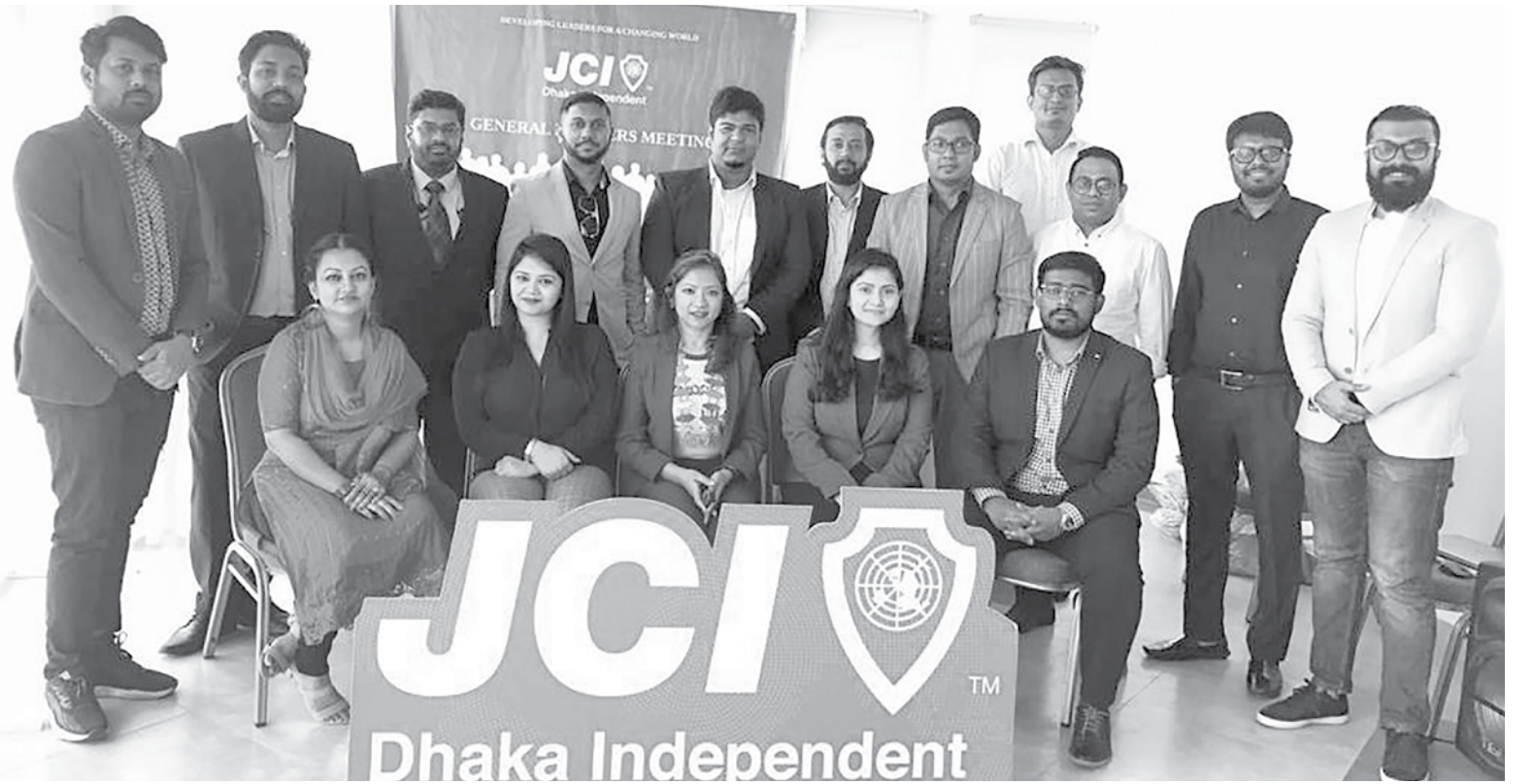
The maximum ceiling on investment to claim a tax rebate was Tk 1.5 crore or 25 per cent of taxable income in the outgoing fiscal year. The reduction is going to increase tax liability of high income individuals.

Rahman is not going to be affected for the reduction in investment limit. He has planned and invested part of his income to claim tax rebates in order to ensure maximum disposable income by complying with tax rules.

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Mercantile Bank Sponsor Director Al-Haj Akram Hossain (Humayun) virtually inaugurated four sub-branches at Chandra Bazar in Chandpur, Gopalpur Bazar in Noakhali, Dakkhinkhan and Baunia in Dhaka from its head office yesterday. Deputy managing directors Gaus-Ul-Wara Md Mortaza, Adil Raihan, Shamim Ahmed, Hasne Alam and Md Mahmood Alam Chowdhury were present.



Astha IT Group Founder Hasnaeen Rizvi Rahman and Junior Chambers International (JCI) Dhaka Independent Local President Tasnuva Ahmed signed a memorandum of understanding on the inclusivity of transgender rights in Bangladesh after holding the organisation's 2nd general members' meeting in Dhaka recently.

China's banking regulator warns of bad debt, local real estate bubbles

REUTERS, Shanghai
China's top banking and insurance regulator said banks should guard against a rise in non-performing assets, as the country rolls back some of the relief measures implemented during the pandemic to help firms withstand the fallout.

lower rates for virus-stricken firms and extend payment deadlines, among other measures, to give borrowers some breathing space during the coronavirus crisis.

He said a growing trend of local real estate bubbles remained "serious". Corporate bond defaults have risen sharply in China in recent years, reaching \$14 billion in 2020, according to the Institute of International Finance. Chinese banks extended a record \$3 trillion in new loans in 2020, according to data from the People's Bank of China.



People walk at the Beijing's central business district, on the day of the opening session of the National People's Congress in Beijing, China on March 5.

Investors should also be aware of potential investment losses on financial derivative products, commodity-linked futures, and rising Ponzi schemes, Guo said.

The regulator will also resolutely clean up illegal security issuance activities and fend off the pick-up in shadow banking activities, Guo added.

Commenting on global markets, Guo, who also serves as the Communist Party chief at the central bank, said that monetary policies in some developed countries are "unprecedentedly loose."

Toshiba colluded with Japan ministry to undermine shareholders, probe finds

REUTERS, Tokyo
Japan's influential trade ministry effectively colluded with Toshiba Corp's management to influence shareholders votes on director nominees at last year's annual general meeting, an independent probe has found.

Discrediting the government's efforts to improve corporate governance in Japan, the investigators' report lays out how the Ministry of Economy, Trade and Industry (METI) leaned on Harvard University's endowment fund and other foreign investors in Toshiba.

That appeared to be corroborated by the investigators' probe, which found Toshiba had de facto asked a government adviser to talk to the Harvard fund to change its vote so that it would support Toshiba's management and oppose activist shareholder proposals.

The probe also found that Toshiba, with the ministry, tried to force Effissimo to withdraw shareholder proposals for board nominees aimed at improving governance.

Thursday's revelations come after top shareholder Singapore-based Effissimo Capital Management and other activist investors in March successfully pushed for an investigation - a landmark win for shareholder activism in Japan.

Since then, the oft scandal-hit Toshiba has seen former chief executive, Nobuaki Kurumatani, resign with the ensuing turmoil leading to a \$20 billion bid for the conglomerate from CVC Capital. While Toshiba has dismissed that bid, it



Ferrari turns to tech industry for its electric era leader

REUTERS, Milan
Ferrari has turned to technology industry veteran Benedetto Vigna to drive the luxury sports car maker known for its roaring, high-octane engines into a new era of silent, electric powertrains.

Vigna, 52, currently runs the biggest division of semiconductor maker STMicroelectronics (ST), where he has worked since 1995 and helped pioneer the sensors first used in iPhones to rotate the screen by turning the handset.



The logo of Toshiba Corp at the company's headquarters in Tokyo, Japan.



AB Bank Board Chairman Muhammad A (Rume) Ali virtually presided over its 39th annual general meeting in Dhaka yesterday. The meeting unanimously approved 5 per cent stock dividend for 2020. Tarique Afzal, president and managing director, and board directors joined the meeting.

China arrests 1,100 suspects in crackdown on crypto-related money laundering

REUTERS, Shanghai
Police in China arrested over 1,100 people suspected of using cryptocurrencies to launder illegal proceeds from telephone and Internet scams in a recent crackdown, the Ministry of Public Security said.

The arrests came as authorities in China step up their crackdown on cryptocurrency trading. Last month, three industry bodies banned crypto-related financial and payment services, and the State Council, China's cabinet, vowed to clamp down on bitcoin

mining and trading. The public security ministry said that by Wednesday afternoon police had busted more than 170 criminal groups involved in using cryptocurrencies to launder money.

The money launderers charged their criminal clients a commission of 1.5 per cent to 5 per cent to convert illegal proceeds into virtual currencies via crypto exchanges, the ministry said via its official Wechat account.

China's Payment & Clearing Association said on Wednesday that the number of crimes involving the

use of virtual currencies is on the rise. Because cryptocurrencies are anonymous, convenient and global in nature, "they have increasingly become an important channel for cross-border money laundering," the association said in a statement.

Cryptocurrencies have already become a popular means of payment in illegal gambling activities. Nearly 13 per cent of gambling sites support the use of virtual currencies, and blockchain technology has made it more difficult for authorities to track the money, according to the association.

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ক্র.সং.	বিষয়	বিবরণ
১.	সংস্থান নাম	বাংলাদেশ শিল্পকলা একাডেমি, সেগুনবাগিচা, রমনা, ঢাকা।
২.	সংগ্রহকারী প্রতিষ্ঠান	বাংলাদেশ শিল্পকলা একাডেমি, সেগুনবাগিচা, রমনা, ঢাকা।
৩.	জেলা	ঢাকা
৪.	দরপত্র আহবানের সূত্র নম্বর ও তারিখ	বার্ষিক/প্রশা./কমন (স্টোর)/২৪/২২/২০১৯(অংশ-ক)/ তাং ০৯-০৬-২০২১
৫.	কাজের নাম	স্টেশনারী ও বিবিধ মালামাল ক্রয়
৬.	বাজেট ও অর্ধের উৎস	রাজস্ব
৭.	দরপত্র বিজ্ঞপ্তি প্রচারের তারিখ	১১-০৬-২০২১
৮.	দরপত্র দলিল প্রাপ্তি	বাংলাদেশ শিল্পকলা একাডেমি, সেগুনবাগিচা, রমনা, ঢাকা।
৯.	দরপত্র দলিল বিক্রয়ের শেষ দিন ও সময়	২৩-০৬-২০২১, বিকাল ৫-০০ টা পর্যন্ত
১০.	দরপত্র দাখিলের তারিখ ও সময়	২৪-০৬-২০২১, দুপুর: ২-০০ পর্যন্ত
১১.	দরপত্র খোলার তারিখ ও সময়	২৪-০৬-২০২১, দুপুর: ২-৩০ পর্যন্ত
১২.	দরপত্র দাখিলের স্থান/দপ্তর	সচিবের দপ্তর, বাংলাদেশ শিল্পকলা একাডেমি, সেগুনবাগিচা, রমনা, ঢাকা এবং কক্ষ নম্বর-১০১০, ভবন নম্বর-০৬, সংস্কৃতি বিষয়ক মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
১৩.	দরদাতার যোগ্যতা ও প্রয়োজনীয় দলিলাদি	হালনাগাদ ট্রেড লাইসেন্স, টিআইএন নম্বর ও ভ্যাট নিবন্ধন নম্বর এর সত্যায়িত অনুলিপি এবং কোনো তথ্যসিদ্ধি ব্যাংক থেকে আর্থিক স্বচ্ছতার সনদ দাখিল সহ সংশ্লিষ্ট কাজে ০৫ বছরের কাজের অভিজ্ঞতা এবং গত দুই বছরে অনুরূপ কাজের একক দরপত্রের মাধ্যমে ১৫.০০ লক্ষ টাকার কাজের অভিজ্ঞতা (সরকারি, আধা-সরকারি এবং স্বায়ত্বশাসিত প্রতিষ্ঠানে)।
১৪.	দরপত্র দলিলের মূল্য (অফারতথ্যে)	৫০০/- (পাঁচশত টাকা মাত্র)
১৫.	দরপত্রের নিরাপত্তা জামানত	দরপত্রের সাথে যেকোন বাণিজ্যিক ব্যাংক (সিডিউল ব্যাংক) হতে মহাপরিচালক, বাংলাদেশ শিল্পকলা একাডেমির অনুকূলে ৭০,০০০/- (সত্তর হাজার) টাকা ব্যাংক ড্রাফট/পে-অর্ডার নিরাপত্তা জামানত হিসেবে দাখিল করতে হবে।
১৬.	দরপত্র আহবানকারীর নাম	মো: নওসাদ হোসেন
১৭.	দরপত্র আহবানকারীর পদবী	সচিব
১৮.	দরপত্র আহবানকারীর ঠিকানা	বাংলাদেশ শিল্পকলা একাডেমি, সেগুনবাগিচা, রমনা, ঢাকা।
১৯.	বিশেষ নির্দেশনাঃ	(ক) দরপত্র বাংলাদেশ শিল্পকলা একাডেমি, প্রশিক্ষণ ভবন, কক্ষ নং ৪০৫, সেগুনবাগিচা, রমনা, ঢাকা থেকে হালনাগাদ ট্রেড লাইসেন্সের সত্যায়িত কপি জমা দান করে সংগ্রহ করতে হবে। (খ) দরপত্রের শর্তাবলী অনুসারে দরপত্র দাখিল করলে দরপত্রের অর্থ পে অর্ডার/ব্যাংক ড্রাফটের মাধ্যমে দরপত্রের সাথে জমা দিতে হবে। অন্যথায় দরপত্র বাতিল বলে গণ্য হবে। (গ) পি.পি.এ ২০০৬, পি.আর ২০০৮ এবং সরকারের প্রচলিত বিধি-বিধান অনুযায়ী দরপত্র কার্যক্রম পরিচালিত হবে। (ঘ) অনিবার্য কারণবশতঃ নির্ধারিত তারিখ ও সময়ে দরপত্র গ্রহণ করা সম্ভব না হলে পরবর্তী কার্যদিবসে একই সময় ও স্থানে দরপত্র গ্রহণ করা হবে। (ঙ) কোন কারণ দর্শানো ব্যতিরেকে কর্তৃপক্ষ সকল দরপত্র বাতিল বা যে কোন দরপত্র গ্রহণের ক্ষমতা সংরক্ষণ করে।

(মোঃ নওসাদ হোসেন)
সচিব
ফোনঃ ৯৫৫৪৬১৭

Jamuna teams up with Bashundhara to increase auto gas sales

STAR BUSINESS REPORT

State-run listed company Jamuna Oil has teamed up with Bashundhara LP Gas Ltd to increase the sales of liquefied petroleum gas (LPG) around the country. Now, Bashundhara will build LPG pumps in filling stations and supply the gas to the stations owned by Jamuna and in exchange the latter will receive a royalty or commission of Tk 0.5 per litre of LPG sales. Both the companies will work together for expanding the market of international standard autogas replacing the traditional fuel, the agreement papers read.

Jamuna Oil Managing Director Md Gias Uddin Ansary and Head of Sales of Bashundhara LP Gas Jakaria Jalal inked a deal at Jamuna Bhaban in the capital on Tuesday. Ansary said autogas has become a popular mode of fuel and Bashundhara LP Gas can fulfil the local demand of environment-friendly energy through the partnership. Jalal briefed on the present state of services of the company at the meeting that focused on the import process and supply chain management. He said the signing of the agreement is a milestone for Bashundhara LP Gas, the leading brand from the private sector. Autogas or LPG has become a unique source of environment-friendly fuel and Bashundhara LP Gas will empower the autogas stations of Jamuna Oil with state-of-the-art services, according to a statement. Bashundhara Group has partnered with around 200 autogas stations to supply LPG and the process to sign agreements with another 200 stations is underway. Jamuna Oil General Managers Ayub Hossain and Masud Karim, Deputy General Managers Khasru Azad, Masudul Islam, GAA Mueyed, Abdus Sabur Khan, Md Jasim Uddin and Hasan Imam, Assistant General Manager of Bashundhara LP Gas Nur Kutubul Alam and Divisional Sales Manager Enamul Haque were present at the meeting.



Officials of Jamuna Oil and Bashundhara LP Gas attended the signing ceremony of a deal between the two companies at Jamuna Bhaban in Dhaka on Tuesday.

Regulatory environment should improve further

FROM PAGE B1
He put forward a proposal to bring down the corporate tax for one-person companies to 22.5 per cent from 25 per cent. "The trend of reducing the corporate tax indicates that the government may cut it in the near future," said Chowdhury. "It is a welcoming move. It will attract both local and foreign investors in various emerging sectors of the economy, at the economic zones and other parts of the country." According to the managing director of Berger Paints Bangladesh, the country needs more local and foreign investment. "The proposed budget has provided some good options for the investors. However, some further steps are needed to encourage investors further." For instance, the tax on the promotional expenses is fixed at 0.5 per cent, and the finance minister has proposed to reduce the advance value-added tax to 3 per cent from 4 per cent. "We had demanded the withdrawal of the taxes," she said. Chowdhury pointed out that the proposed taxes on the internet and telecom services sectors would put the

investors at bay. "These taxes should be reviewed." If the government does not cut the taxes and give more facilities, the effective tax rates would be eventually higher than the proposed 2.5 percentage point cut in the corporate tax, Chowdhury added. "If the effective tax rate is higher, investors might not be interested in coming to Bangladesh." The imposition of tax at source for e-commerce services and the hike in the corporate tax rate for mobile financial services will discourage the entrepreneurs in the sectors. As a result, the expansion of e-commerce businesses will face barriers at a time when they are growing fast, she said. "The government can review the proposals for the sectors as they are the new investment areas." The proposed tax rebates and tax holiday to set up industries inside the economic zones will draw investment. "The government should extend the tax facilities to both local and foreign companies inside the economic zones with a view to creating a more investment-friendly environment," Chowdhury said.

Bangladesh's stock market a hidden gem: HSBC

FROM PAGE B1
Bangladesh is one of Asia's most exciting long-term demographic stories, the report said. "With a population of around 165 million - there are as many Bangladeshis as there are Thais and Vietnamese combined - we think the country is on the cusp of an industrial revolution as incomes rise and technology plays an ever-increasing role in the economy." Urbanisation, smaller households and more women at work are powerful consumption drivers that support high levels of growth, it said. Bangladesh has posted consistently high economic growth for a decade. "More importantly, the volatility of growth has been below the regional average. For a country facing such big challenges - infrastructure, power supply,

poverty, and floods - Bangladesh's economy has proved to be very resilient," HSBC said. Bangladesh has a strong fiscal position and a robust external balance sheet. It is also one of the least-exposed economies in the region to portfolio flows, sheltering its exchange rate from volatility. Vietnam has made it easier to set up a business and simplified land registration and loan processes. This makes the market more attractive for FDI. "Bangladesh still lags Vietnam but is making efforts to improve the ease of doing business," the report said. Based on the Worldwide Governance Indicators, Bangladesh scores higher in accountability, but Vietnam scores better on all other indicators. Both countries have made progress in terms of corruption control, it said.

Local firm exporting saplings to Qatar

FROM PAGE B4
Md Nasir Uddin, deputy director of Plant Quarantine Station at the Chattogram port, said they tested all the saplings to fulfil requirements for export. Saplings cannot be exported if those have soil in the roots, since soil export is banned while there could be insects in them too, said Uddin. Therefore, saplings need to be grown in coconut peat in greenhouses for export, he added. Abu Sufian Maruf, managing director of AL Naimi Landscaping WLL, said every year they import 150 to 200 containers of saplings of flower, fruit and other trees from countries such as China, Thailand, India, the Netherlands, Germany, Italy and Egypt. The firm has developed four nurseries in around 400,000 square metres of rented land in Doha. There is growing demand of plantations and farming in Qatar as the country for many years has been trying to turn its deserts into greeneries, said Maruf, who

along with his younger brother is now running his father's business in Qatar. His father Mamin returned to the country recently. "Besides the country took on a robust plantation programme targeting World Cup Football to be held next year," he said. Many new constructions are ongoing targeting the event and it is mandatory to have gardens in new constructions as a part of its beautification, he informed. The Ministry of Municipality and Environment of Qatar in 2019 launched a "Plant Million Tree" initiative. Under the initiative, trees are being planted at highways, industrial areas, sewerage plants, treatment units and storage, rainwater harvesting sites, cities and municipal strips, public parks, schools and residential complexes. According to Maruf, at least 20 to 25 big and small firms are currently engaged in nursery farming and gardening in Doha. Alam said AL Naimi can only import saplings worth \$1 crore per year from Bangladesh.

Uber halts CNG service just after launch

FROM PAGE B1
The platform did not respond to queries sent through its official public relations agency in Dhaka. An official of the Bangladesh Road Transport Authority said it was unaware of Uber's move. After the introduction of ride-sharing services by Pathao and Uber, CNG auto-rickshaw owners and drivers had called on the government to ban them as it broke their monopoly. Auto-rickshaw drivers also took to the streets in the capital several times and observed strikes. But their demands drew flak from the public, with many taking to social media voicing their support for the app-based services. In 2017, CNG drivers and owners changed their minds and urged the companies to include them in the apps. The platforms had planned to roll out CNG services at the time, but it did not progress much as the number of smartphone users among the auto-rickshaw drivers was very low. "We had reviewed the launch of the service several times. However, we couldn't implement it because most of the drivers don't use smart devices," Hussain M Elius, co-founder and chief executive officer of Pathao, said yesterday. "We have no plan to roll out the service as our main focus are our existing ride sharing services, food delivery and e-commerce logistics." In 2018, OBHAI, a ride-sharing app offering the service of cars, motorbikes, minibuses and CNG auto-rickshaws, was launched in Dhaka and later in Chattogram. But it too faced challenges in making the service popular because of a lack of smartphone users among the drivers. This prompted the company to start distributing smart devices among them. "We also facilitated training by partnering with the Accident Research Institute of the Bangladesh University of Engineering and Technology so that drivers can drive safely and become more tech-educated," said Syed Fakrudin Millath, senior manager for corporate and regulatory affairs at OBHAI Solutions. Now, 12,000 CNG-run auto-rickshaws are connected to the platform. The company has expanded its footprint to Sylhet and Cox's Bazar. Mofazzol Forai, a driver connected with OBHAI, received a smartphone from the ride-hailing company two years ago. He completed 20 trips on Wednesday and 18 trips yesterday.

"Man behind the rise of Butterfly" - The turning point was a 22-year career at Singer Bangladesh. It gave him the confidence to start his own venture, Butterfly Marketing, with local and three foreign shareholders. At that time investment was very low, recalls family friend Mahbulul Haque Sufyani, also a shareholder and director. "What caught on was its sewing machine, a symbol of the "emerging middle class" in the late 80s. In 1995, it went through a major rebranding, turning into the sole distributor of renowned Korean electronics giant LG in Bangladesh. That year, Butterfly also turned into a public company. In 2012, the group opted for backward integration through the inception of Butterfly, Butterfly Manufacturing and Butterfly Industries. It established state-of-the-art manufacturing facilities through strategic deals with LG and Hisense. Today, Butterfly offers 18 products such as TVs, refrigerators, air-conditioners, microwave ovens, washing machines, generators, rice cookers, blenders, dishwashers, fans and water heaters. The company attributes its success to a long-lasting partnership with selective world-class brands, a robust line of skilled staff, convenient retail locations around the country and a vision to grow. With the consumer at the core of it all, the most important aspect is seemingly its motto, "Committed to Care".

Man behind the rise of Butterfly

FROM PAGE B1
upazila, he completed schooling from West End School, Dhaka, and graduated from Jagannath College (now Jagannath University) in commerce. He completed schooling from West End School, Dhaka, and graduated from Jagannath College (now Jagannath University) in commerce. The turning point was a 22-year career at Singer Bangladesh. It gave him the confidence to start his own venture, Butterfly Marketing, with local and three foreign shareholders. At that time investment was very low, recalls family friend Mahbulul Haque Sufyani, also a shareholder and director. "What caught on was its sewing machine, a symbol of the "emerging middle class" in the late 80s. In 1995, it went through a major rebranding, turning into the sole distributor of renowned Korean electronics giant LG in Bangladesh. That year, Butterfly also turned into a public company. In 2012, the group opted for backward integration through the inception of Butterfly, Butterfly Manufacturing and Butterfly Industries. It established state-of-the-art manufacturing facilities through strategic deals with LG and Hisense. Today, Butterfly offers 18 products such as TVs, refrigerators, air-conditioners, microwave ovens, washing machines, generators, rice cookers, blenders, dishwashers, fans and water heaters. The company attributes its success to a long-lasting partnership with selective world-class brands, a robust line of skilled staff, convenient retail locations around the country and a vision to grow. With the consumer at the core of it all, the most important aspect is seemingly its motto, "Committed to Care".

Drug dealers went online to beat pandemic: EU report

AFP, Lisbon

Drug dealers took their business online to meet the challenges of the coronavirus pandemic, an EU report said Wednesday, adapting quickly to restrictions imposed across Europe to beat the virus. "We are witnessing a dynamic and adaptive drug market, resilient to Covid-19 restrictions," said Alexis Goosdeel, director of the European Monitoring Centre for Drugs and Drug Addiction. The pandemic accelerated the "uberisation" of the market, said Goosdeel. Ads could be placed online allowing people to order using encrypted messaging apps for home delivery. "To ensure we are well-prepared to meet the future consequences of this hyper-availability, we need urgently to recognise that not only is a wider variety of

people now personally experiencing drug problems, but drug problems are impacting on our communities in a wider variety of ways," he added. Users also now had access to a wider range of drugs than before, increasingly pure and increasingly potent, the EMCDDA's annual report warned. And while the effective shutdown of Europe's nightlife provoked by the various lockdowns hit consumption of party drugs such as ecstasy, other drugs took their place. There had been a surge in consumption of benzodiazepines, for example, normally prescribed as anti-anxiolytics to ease anxiety. The report also noted record seizures of cocaine: 213 tonnes in 2019, up from 177 tonnes the previous year. "Cocaine purity has increased and more people are entering treatment for the first time," the report added.

How to maximise tax benefits?

FROM PAGE B1

He has invested a portion of his income in state sponsored savings certificates to avail the tax rebate apart from increasing his wealth. But he also mentioned that one can invest in other areas such as stocks to claim the tax rebate during submission of his or her tax returns. "If anyone wants to take benefit of investment rebates, this is the time," Rahman said. But one has to invest or keep money in areas where tax authority offers tax rebate. Investing anywhere such as land will not help reduce tax liability. The tax authority provides tax rebate in 21 areas that include life insurance premium, depository pension scheme (DPS) in any bank or non-bank financial institution, investment in savings certificates, stocks, mutual fund and debenture. In also includes contributions to the government provident fund, welfare fund and group insurance, investment in treasury bonds and donations to various organisations engaged in social welfare activities. In case of investment in DPS, one can claim rebates on investment of up to Tk 60,000 annually. Jasim Uddin Rasel, a tax consultant, said tax rebate on investment allowance is the option to reduce tax burden legally by investing in specified areas as per tax law which are considered for investment allowance. "If any taxpayer wants to claim tax rebate in his or her next income tax return, he or she should invest in the specified areas within 30th June this year," he said. Rasel, who runs a blog on tax matters, said a majority of taxpayers' tax calculation

will not be affected as per the proposed measures. However, some changes will increase the tax burden on high-income earners and wealthy people. As the tax-free threshold and slab wise tax rates for individual taxpayers remain unchanged, there will be no change in tax calculation, he said. Rasel said public transport services have been suspended during lockdown but employees continued their office paying high fare. "And after a long time, public transport is allowed to operate within cities with 50 per cent passengers, which also increases the transport cost. Medical expenses also increased during this pandemic. But the ceiling of tax exemptions remains same for the salaried taxpayers," said Rasel. Considering the Covid-19 situation, the government may increase the limit of tax exemption to reduce the tax burden," he added. A tax official, seeking to remain unnamed, said disposable income of taxpayers will reduce because of no-change in the tax rate and tax-free income threshold. "Under this circumstance, smart tax planning is necessary. Investment in approved securities or areas could be an option," he said. Snehasish Barua, partner of Snehasish Mahmud & Co, a chartered accountancy firm, said the government should increase allowable expense for health in view of increased cost for hygiene and medical expenses, particularly for cost related treatment of coronavirus infection. "The government could allow expenditure for coronavirus as allowable expense. It would help reduce tax liability," Barua added.

Zaved new CEO of Unilever Bangladesh

FROM PAGE B1

independence," Akhtar told The Daily Star in his instant reaction after the announcement of his new appointment. "We have a brilliant foundation and a great momentum going our way. Now the task is cut out for me and the team to take Unilever Bangladesh to the next trajectory of growth as we serve our consumers and customers while we create a positive impact on the community where we operate in," he said. The first national was Kamran Bakr, who had served from 2012 to 2017. Akhtar will succeed Kedar Lele, who has been in the post since January 2018. Lele became the chairman in addition to his role as the managing director in 2020. Lele will continue as the chairman of Unilever Bangladesh, apart from his new assignment as the executive director of customer development at Hindustan Unilever. Akhtar, a graduate of the Institute of Business Administration, University of Dhaka, began his career with British American Tobacco. He joined Unilever as a senior brand manager for its oral care business in 2000.

With 24 years of professional experience across South Asia, Southeast Asia and Australasia, he has strong expertise in consumer centricity and design thinking, which has helped him build capabilities in brand development, communication and innovation management. In his current role, Akhtar set up a "Digital Council" for Hindustan Unilever Ltd (HUL) and anchored the "Reimagined HUL" agenda, a widely recognised programme across Unilever as a comprehensive end-to-end digital transformation programme with impact. Sanjiv Mehta, president of Unilever South Asia, welcomed Akhtar to the South Asia Leadership Team. "I am certain that he will lead the Bangladesh business to greater heights," he said. Unilever started its journey in erstwhile East Pakistan (now Bangladesh) in 1964. Today, it manufactures products under more than 28 brands. The British multinational consumer goods company has 1,500 plus employees, and more than 20,000 people work in its value chain, according to Jatra, a publication on the journey of Unilever in Bangladesh.

Raise tariff on imported tiles

FROM PAGE B1

As a result, the price of the imported tiles will decline by Tk 24 per square foot, which is lower than the rates of those of locally produced items, said Md Shirajul Islam Mollah, president of the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA). "This is a threat to the local industry," he told reporters while addressing a media briefing on the proposed budget at the National Press Club in Dhaka. The association demanded the withdrawal of all supplementary duties on tiles and sanitary products and an increase in the import duty on the imported tiles. "We manufacture world-class ceramic products. We also export them after catering the local market. Because of the supplementary duty, the price of our

products has gone up," Mollah said. "As a result, the price of the imported items is lower than the local items." Local manufacturers meet 80 per cent of the domestic demand for ceramics products, and the rest of the demand is met through imports. The demand has been growing at 20 per cent annually on average for the last few years. Around Tk 6,560 crore worth of ceramic products were sold in Bangladesh in the fiscal year of 2019-20. In the same fiscal year, local ceramic makers exported products worth \$50.32 million, down from \$68.97 million a year ago. BCMEA Senior Vice-President Moynul Islam, General Secretary Irfan Uddin, and directors Rasheed Mymunul Islam and Ruslan Nasir were also present at the media briefing.

Relief for customers as BB cuts charges on deposits, loans

FROM PAGE B1

Banks will not be allowed to charge more than Tk 200 to close saving accounts and Tk 300 for current accounts. However, these charges will not be applicable on accounts owned by marginalised people, freedom fighters, street children, and so on. Beneficiary owner (BO) account-holders can secure a BO certificate by paying Tk 100. Clients will pay a fee of Tk 50 to transfer an account from one branch to another

within the same district but the charge will double if clients move an account from one district to another. Banks have also been banned from imposing any charge in the form of minimum balance fees, incidental charges, ledger, and counter-charge fees. The central bank kept the account maintenance fee unchanged as there will be no such charge for accounts with a deposit of up to Tk 10,000.

Local firm exporting saplings to Qatar



A consignment of 3,747 saplings of eight different plants reached a private inland container depot on Wednesday. After customs and quarantine tests, they were packed in a refrigerated container. Loaded on vessel Maersk Xiamen yesterday, the container may leave the port tomorrow.

DWAIPAYAN BARUA, City

Bangladesh is now playing a part in Qatar's initiative of turning deserts into greenery, thanks to local firm which is exporting saplings.

A consignment of 3,747 saplings of eight different plants reached a private inland container depot on Wednesday.

After customs and quarantine tests, they were packed in a 40-foot refrigerated container. Loaded on vessel Maersk Xiamen yesterday, the container may leave the port Saturday.

Sending plants over the sea to the Middle East is a landmark in Bangladesh's trade. Local exporters see it as a huge prospect in widening the export basket.

Of the plants that Cumilla-based Bizra Enterprise is exporting, 1,280 are neem, 950 lemon, 795 malta, 320 sapodilla (locally called sofeda), 152 water apple (locally called jamrul), 170 almond, 40 banyan and 40 gum acacia (locally known as babla).

The firm's Qatar based parent organisation Al Naimi Landscaping WLL is the importer.

The sea-route shipment has been long-sought by entrepreneur Mohammad Shamsul Alam, who has been engaged in exporting gardening products made of bamboo and jute to a few Qatar based firms since 2013 through his firm Plant and Craft based in Kandirpur, Cumilla.

"I was inspired by a speech of Prime Minister Sheikh Hasina who at a programme in 2018 urged the exporters to find new and non-traditional products for export," said Alam.

In the same year he got connected with Al Naimi Landscaping, owned by Abdul Mamin, a Bangladeshi expatriate in Qatar hailing from Bizra in Laksam, Cumilla, who has been engaged in nursery business in Qatar for the last 25 years. Alam started exporting his old products to Al Naimi in 2018.

He then joined Bizra Enterprise, a local nursery firm and also the sister concern of Al Naimi Landscaping, as chief executive officer.

"In 2019 through Bizra Enterprise we started exporting saplings to Al Naimi in Qatar through air shipment," he said.

In the past three years, Al Naimi Landscape imported around 45,000 saplings of different fruits like mango, lemon, guava and some flower plants from Bizra Enterprise.

"As a small quantity can be exported through the highly expensive air-shipments, we were trying for exporting through sea route and it became possible at last," Alam said.

Bizra Enterprise developed a nursery on two acres of land in Bizra, Cumilla and on one acre of land in Jibonnagar, Chuadanga. Currently it has three greenhouses, two in Cumilla and one in Chuadanga.

Alam said there are huge prospects of exporting saplings to Qatar and other Middle East countries as they were making the import every year from across the world for their greening programmes.

READ MORE ON B3

FIRST SME IN BOURSES

Nialco debuts on CSE

STAR BUSINESS REPORT

Stocks of Nialco Alloys made their trading debut yesterday, marking the first such exchange for the Chittagong Stock Exchange's (CSE) board for small and medium enterprises (SMEs).

At the end of the trading session, 105 stocks were traded, worth Tk 1,154. The closing price was Tk 11. There were buyers seeking 8.89 lakh shares. But shareholders were not interested.

The government is working to give a boost to the SME sector as it has a huge impact on Bangladesh's economy, said CSE Chairman Asif Ibrahim.

The CSE has now become a part of history in the listing of the SMEs, he added during Nialco's opening bell ceremony.

SMEs had repeatedly urged the Bangladesh Securities and Exchange Commission (BSEC) to enable them to raise funds through the stock market.

The BSEC met their demand by passing a rule in 2018 allowing companies with paid-up capital of between Tk 5 crore and Tk 30 crore to raise funds from the stock market.

There are about 78 lakh SMEs in Bangladesh employing about 2.5 crore workers in the sector, according to the Bangladesh Bureau of Statistics.

In April, Nialco Alloys, a manufacturer of high-grade bronze and brass ingots, got the nod to go public and have stocks traded on the board.

Turning into the country's first-ever SME to enter the stock market, Nialco raised Tk 7.5 crore from qualified investors by issuing 75 lakh shares at Tk 10 each.

In the SME platform, general investors are not allowed to make purchases.

If any individual has investments of more than Tk 1 crore in listed securities, then he or she is considered a qualified investor.

Nialco's earnings per share was Tk 0.91 for the period that ended on September 30, 2020, while its net asset value without a revaluation reserve was Tk 12.43.

With the quality investors offering (QIO) proceeds, the company is said to be developing its facilities and bear the IPO expenses. MTB Capital was the issue manager.

Stock turnover well over Tk 2,500cr

STAR BUSINESS REPORT

The stock market turnover went well over Tk 2,500 crore yesterday, which was encouraging for investors.

This important indicator of the stock market dropped just 1 per cent from the day before to Tk 2,669 crore at the Dhaka Stock Exchange (DSE)

Investors' increased participation has led to this high turnover, giving a boost to confidence, said a top official of a merchant bank. Although the market started off with a rise at a very high pace, it dropped as insurance stocks fell by a big margin, he said.

The DSEX, the DSE's benchmark index, rose 11 points, or 0.19 per cent, to 6,066.64 yesterday.

Within the first hour, the rise was over 70 points, showed DSE data.

As the insurance sector had been experiencing a rising trend over the last one year or so, a fall was expected, he said.

All the insurance stocks dropped around 3.5 per cent on average, according to data of LankaBangla Securities.

Among the major sectors, banking and non-bank financial institution and engineering also dropped while textile, mutual fund and pharmaceutical rose, showed the data.

The market is now at a very good stage where investor participation is high and

the index is rising slowly, said a stock broker.

If investors invest wisely considering fundamentals of listed companies, the market will remain vibrant, he said.

The detrimental scenario is that many investors are rushing for companies based on rumours to make gains overnight, which is not a good sign, he added.

At the DSE, 209 companies' stocks advanced, 149 declined and nine remained unchanged.

Zaheen Spinning topped the gainers' list, rising 10 per cent, followed by Index Agro Industries, Mir Akhter Hossain, Coppertech Industries and S Alam Cold Rolled Steels.

Stocks of Beximco were traded the most, worth Tk 229 crore, followed by LankaBangla Finance, Pioneer Insurance, Fortune Shoes and National Polymer Industries.

Dhaka Insurance shed the most, dropping 11.49 per cent, followed by GBB Power, Global Insurance, Bangladesh General Insurance Company and National Feed Mills.

Chittagong Stock Exchange (CSE) also soared yesterday. The CASPI, the general index of the port city bourse, was reduced by 69 points, or 0.39 per cent, to 17,585.

Among the 319 stocks to witness trade, 175 rose, 120 fell and 24 remained unchanged.

China passes law to counter sanctions

REUTERS, Beijing

China passed a law on Thursday to counter foreign sanctions, as it strives to diffuse US and EU pressure over trade, technology, Hong Kong and Xinjiang.

The new law is China's latest and most wide-ranging legal tool to retaliate against foreign sanctions and is intended to give Chinese retaliatory measures more legitimacy and predictability, according to local experts. Foreign companies, however, worry about the dampening impact it might have on foreign investment.

China's top legislature, the National People's Congress standing committee (NPC) passed the law on Thursday, according to state television CCTV. But details of its contents have not yet been released.

All 14 vice-chairpersons of the committee are under US sanctions for passing the National Security Law last year that critics say has crippled political freedoms in Hong Kong. Beijing says it was needed to restore stability in the city.

President Xi Jinping called last November for the ruling Communist Party to use legal means to defend China's sovereignty, security and interests against foreign parties. The NPC said in its annual work report in March that it wants to "upgrade our legal toolbox" to address the risks from foreign sanctions and interference.

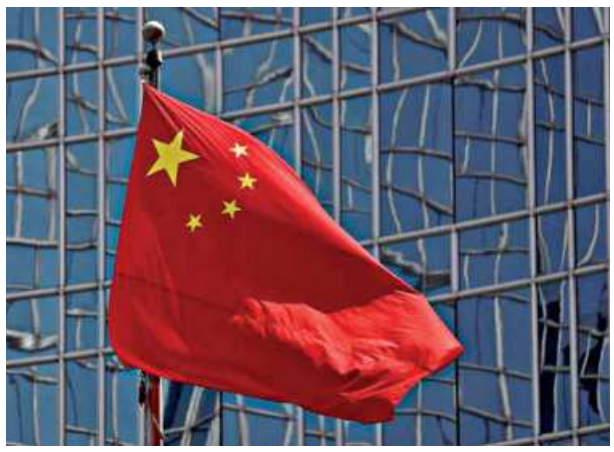
In January, the commerce ministry announced mechanisms to assess if foreign restrictions on Chinese trade and business activities were justified, and for Chinese individuals or companies to sue for compensation in a Chinese court.

The United States and its allies have increasingly sanctioned Chinese officials to express concern about how China treats its Muslim Uyghur minority in Xinjiang and pro-democracy activities in Hong Kong, triggering counter-sanctions by China on

US and EU politicians and officials.

Washington has also targeted Chinese companies such as Huawei and ZTE for violating US sanctions on Iran or North Korea, an act China called "long-arm jurisdiction".

The bill underwent a secret first reading in April, and was passed on Thursday, barely two days after NPC announced that it was doing a second reading of the bill. It skipped a third reading normally needed for other bills. The European Union Chamber of Commerce said its members are alarmed at the lack of transparency



The Chinese national flag is seen in Beijing, China on April 29, 2020. REUTERS/FILE

about the passing of the bill.

"China seems to be in a hurry. Such action is not conducive to attracting foreign investment or reassuring companies that increasingly feel that they will be used as sacrificial pawns in a game of political chess," Joerg Wuttke, the Chamber's president, told Reuters. Foreign companies looking to do business in China may find themselves up against increasing scrutiny from Chinese regulatory authorities in relation to their operations both locally and abroad, said Shaun Wu, from Paul Hastings, a law firm in Hong Kong. Chinese experts say Beijing is simply taking a page from the playbooks of the United States and European Union, which in recent years have passed various acts to serve as a legal basis for their engagement with China.



GLOBAL BUSINESS

US jobless claims falling

REUTERS, Washington

The number of Americans filing new claims for unemployment benefits likely fell last week to the lowest level in nearly 15 months, while consumer prices increased further in May as the pandemic's easing grip on the economy continues to boost demand.

The Labor Department is likely to report on Thursday that initial claims for state unemployment benefits totaled a seasonally adjusted 370,000 for the week ended June 5, compared to 385,000 in the prior week, according to a Reuters survey of economists.

That would be the lowest since mid-March 2020 when the first wave of Covid-19 infections barreled through the country, leading to closures of nonessential businesses, and mark the sixth straight weekly decline. Layoffs are abating, with employers scrambling



An applicant speaks with a potential employer during a job fair at Hembree Park in Roswell, Georgia, US on May 13. REUTERS/FILE

for labor as millions of unemployed Americans remain at home because of trouble securing child care, and lingering fears of the virus even though vaccines are now widely accessible. At least half of the adult US

population has been vaccinated against the virus, allowing for broader economic re-engagement. But the pent-up demand unleashed by the resumption of business operations is straining the supply chain and fanning inflation pressures.

Economists expect another report from the Labor Department on Thursday will likely show the consumer price index increased 0.4 per cent last month after surging 0.8 per cent in April, which was the largest gain since June 2009.

In the 12 months through May, the CPI is forecast accelerating 4.7 per cent. That would be the biggest year-on-year increase since September 2008 and follow a 4.2 per cent rise in April. The anticipated jump will partly reflect the dropping of last spring's weak readings from the calculation. These so-called base effects are expected to level off in June.

Japan's wholesale prices rise at fastest pace in 13 years

REUTERS, Tokyo

Japan's wholesale prices rose at their fastest annual pace in 13 years reflecting higher commodity costs, data showed on Thursday, a sign global inflationary pressures are pinching firms already struggling amid the coronavirus pandemic.

With companies seen slow in passing on the higher costs on to households, the uptick in wholesale inflation is unlikely to prod the Bank of Japan into withdrawing its massive stimulus any time soon, analysts say.

"We're seeing emerging signs of cost-push inflation. If this is not accompanied by rising wages, we could see Japanese consumers' purchasing power decline," said Mari Iwahata, chief market economist at Daiwa Securities.

The corporate goods price index (CGPI), which measures the prices



Wholesalers check the quality of frozen tuna displayed during the tuna auctions, amid the coronavirus disease outbreak, at Toyosu fish market in Tokyo, Japan on August 25, 2020. REUTERS/FILE

companies charge each other for their goods, rose 4.9 per cent in May from a year earlier, Bank of Japan data showed on Thursday, more than a median market forecast for a 4.5 per cent increase.

It followed a 3.8 per cent gain in April and was the biggest annual increase since September 2008, when a global spike in food and raw material costs pushed up a range of prices in Japan.

China also saw factory gate prices rise at their fastest annual pace in over 12 years, underscoring the tricky balance policymakers face in supporting their economies while keeping unwelcome inflationary pressures at bay.

The rise in raw material costs is particularly damaging for Japan, where state of emergency curbs to combat the pandemic are cooling consumption and making it difficult for retailers to charge households more for their goods.