

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.

BASHUNDHARA GROUP

Regulatory environment should improve further

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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

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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

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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

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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, OBHAL, 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 OBHAL 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 OBHAL, 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

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upazila, 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 Mahbubul 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?

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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

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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

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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

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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.