STOCKS	COMMODITIES	ASIAN MARKETS	CURRENCIES STANDARD CHARTERED BANK	2
STOCKS DSEX 0.57% 6,212.76 CSCX 10,810.81	COMMODITIES Gold \$1,814.42 (per ounce) Oil \$73.35 (per barrel)	ASIAN MARKE IS MUMBAI ▼ 0.92% 52,568.94 TOKYO ▼ 0.88% 28,118.03 SINGAPORE ▼ 1.08% 3,107.59 SHANGHAI ▼ 0.79% 3,525.50	CURRENCIES STANDARD CHARTERED BANK SUSD € EUR £ GBP ¥ CNY BUY TK 83.95 97.92 114.79 12.71 SELL TK 84.95 101.72 118.59 13.37	نامه المعالي نامه المعالي نامه المعالي نامه المعالي <tr< th=""></tr<>

DHAKA FRIDAY JULY 9, 2021, ASHAR 25, 1428 BS 🛑 starbusiness@thedailystar.net



Harun ur Rashid ponders how to get by amidst a dearth of customers for the ongoing strict lockdown, at his bedding store in Nilkhet yesterday. Small businesses have been feeling the heat of the pandemicinduced economic slowdown for the past one and a half years. The situation has taken a turn for the worse during the current restrictions.

PHOTO: SK ENAMUL HUQ

Private credit growth sinks to 28-year low

PRIVATE SECTOR CREDIT GROWTH In %; source: bb *Till May of FY'21

AKM ZAMIR UDDIN

30 -25 -20 -15 -

10 —

Bangladesh's private sector credit growth decelerated to 7.55 per cent in May, the lowest in at least 28 years, due to the depressed demand for loans amid the Covid-19 pandemic.

Banks have also adopted a cautious approach to giving out credit as loans tend to become non-performing given the ongoing business slowdown.

In the last one year, lenders have largely disbursed the stimulus fund introduced by the Bangladesh Bank and hardly lent from their own pockets.

As a result, the private sector credit growth has been on a downward path. It stood at 8.29 per cent in April, way lower than the central bank's target of 14.8 per

the volume of the stimulus loans disbursed. "This means banks have given focus to the stimulus packages while disbursing

loans," Mansur said. The government has so far declared 23 stimulus packages involving Tk 128,440 crore, which is 4.59 per cent of the gross domestic product. Of the sum, the BB has set a target to inject around Tk 97,000 crore.

The central bank's initiative to pump the stimulus funds and the lower disbursement of loans by banks have caused the excess liquidity in the banking industry to balloon. Excess liquidity stood at Tk 211,688 crore in May in contrast to Tk 201,546 crore a month ago, data from the BB showed.

"This has created a new monetary challenge for the central bank as borrowers who have little scope to invest in the

Despair mounts for the debt-trapped

Micro-businesses, informal workers see incomes fall further amid lockdown

MAHMUDUL HASAN and SUKANTA HALDER

Debt-ridden micro-businesses and informal workers in Bangladesh are staring at new economic distress as incomes evaporated because of the ongoing strict lockdown, which could impose an additional financial burden on them and deepen their plights.

On July 1, the government was forced to reinstate a nationwide curb on movement,



closing offices and banning non-essential second one. business activities, as the Delta variant of the coronavirus is sweeping across the country.

Now, the small businesses and informal workers, which have been feeling the heat of the pandemic-induced economic slowdown for the past one and a half years, fear that the restriction, if extended, could leave them without income for a long period and may lead to partial starvation. "The lockdown will completely wipe out my

income ahead of Eid. I don't know how I will buy the groceries," said Mohammad Masud, a vendor who sells clothing items from his van in the capital's Farmgate.

The breadwinner of a six-member family, Masud had to close his business for lockdowns twice: for three and a half months from March to May last year during the first lockdown and for 15 days in April this year during the

He started to borrow since the first lockdown,

and now his total debt stands at Tk 2 lakh. "There is a huge gap between income and

expenditure. I forgot the last time I bought a kilogramme of beef for my children.

This is because his monthly income has plunged to Tk 8,000 from Tk 15,000. But he can only earn when makeshift shops remain open.

"My daughter has been sick for five days and my son for three days. But I couldn't take them to hospitals as I have no money," he said.

According to experts, the impact of the economic downfall will last longer for the financially vulnerable sections as many of them were pushed into a debt trap

In April, the Citizen's Platform for SDGs, Bangladesh, in a study, found that a large number of households were likely to fall into a debt trap as their savings depleted.

cent for the just-concluded fiscal year.

"There is no scope for the credit and GDP growth to make a turnaround until the country can rein in the spread of the coronavirus pandemic," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

The credit growth may decline further in the coming months if the government fails to accelerate its vaccination programme, he said. The outstanding loans in the private

sector stood at Tk 11.71.808 crore in May The amount has expanded by Tk 82,252 crore in the last one year, almost equal to productive sector may choose the bubbling zones such as the housing sector and the capital market," Mansur said.

"The central bank should take initiatives immediately to mop up the fund from the financial sector, or else it may create an inflationary pressure."

However, the former economist of the International Monetary Fund suggested the central bank expand its volume of stimulus fund for small and medium enterprises to help the economy recover from the existing sorry state.

READ MORE ON B2

Have a TIN? Get ready Bicycle exports hit a new high to file tax return JAGARAN CHAKMA

SOHEL PARVEZ

Every year, the last week of November sees a mad rush of individual taxpayers at the tax offices and tax fairs. The reason is obvious: the final deadline to file annual income, expenditure and wealth statements without penalty is November 30, termed as Tax Day.

However, one can easily

as early preparation is the answer. One can furnish his or her tax return much earlier than November as the timeframe for submitting income statements to tax offices begins from July 1 and ends on November 30 every year.

Filing returns after the deadline is possible but with penalty. But who has to file tax returns? Is it only for those whose income crossed Tk 300,000 in the July-June



period of fiscal 2020-21?

Not at all. If you have a Taxpayer Identification Number (TIN) just for a credit card or to sell land but do not have any income at the moment, you are free from submitting tax returns.

Other than this though, if you have a TIN, you need to comply and file tax returns,

However, one can easily according to the Income avoid the hassle of hurriedly filing a return Tax Guidelines 2021-22 for individual taxpayers, released by the National Board of Revenue (NBR) recently.

The tax authority has made the filing of tax returns mandatory for persons in 22 areas, including individuals who have 12-digit TINs.

In addition, people working in the public sector with a basic salary of Tk 16,000 and above will also need to furnish tax returns. READ MORE ON B3

Bicycle exports have hit a new high, buoyed by increasing demand for the green mode for transportation aiding social distancing in the face of a surging number of coronavirus infections.

Manufacturers registered 58 per cent export growth year-on-year to \$130 million in fiscal 2020-21, Export Promotion Bureau (EPB) data shows.

The previous high was \$126 million in fiscal 2014-15.

are preferring bicycles in their efforts to maintain social distance to European markets and demand owing to the coronavirus," said Md Luthful Bari, director of operations of Meghna Group, the country's biggest bicycle exporter.

'The health consciousness has fuelled demand and use of bicycles," he said. Bicycle exports had been on

"People in European countries the downturn since fiscal 2014-15. The two wheeler is exported began recovering following the Covid-19 outbreak, said exporters. Kamruzzaman Kamal, director for marketing of Pran-RFL Group, said the business houses export bicycles in bulk quantities to the European Union countries, including Germany.

The Covid-19 pandemic has for excursions," said Kamal. triggered demand for bicycles worldwide and especially in to manufacture 10 lakh bicycles per northern Europe, he said, adding year. that they exported 3 lakh bicycles last fiscal year, posting a 60 per cent growth year-on-year.

140 -120 -100 -

80

60 -

40 -

20 -

The demand will also increase in upcoming days as European market size was valued at \$54.44 people like to use two wheelers due billion in 2020. to rising health consciousness and

FΥ″18

FY″19

BICYCLE EXPORTS

In million \$; source: EPB

FY"16

FΥ″17

:Y'15

14

RFL Bike Industry has a capacity

Bari, also secretary to the Bangladesh Bicycle and Parts Manufacturers' and Exporters' Association, said the global bicycle

READ MORE ON B3

Trial use of lighter jetty begins

Dwaipayan Barua, Ctg

Around eight years past being constructed by the Chittagong Port Authority (CPA), one of the four lighter jetties started undergoing trial operations yesterday.

Kabir Steel Re-Rolling Mills (KSRM), one of the country's leading steel manufacturers that attained a lease in May 2018 to use the jetty for unloading imported scrap, began unloading goods there in the afternoon.

KSRM yesterday unloaded imported scrap from lighter MV Jahan Moni-1.

KSRM Chief Executive Officer Meherul Karim said they started unloading goods at the jetty on a trial basis and would monitor how it performed.

Still, there are some infrastructure works to be completed since the jetty lacks many facilities, including sheds for workers' stay and toilets, while a back access road was still too narrow for big-sized trucks, he said.

KSRM Deputy Managing Director Sarwar Jahan said the lighter jetty would, somewhat, be helpful for their production supply chain.

Usually, a portion of scrap imported in big-sized vessels is unloaded onto smaller lighters at the outer anchorage of the Chattogram port to reduce their draft and enable them to access berth in the port's main jetty.



Scrap metal imported by KSRM being unloaded from a lighter at one of the four dedicated jetties constructed at READ MORE ON B3 Sadarghat area by Chittagong Port Authority. The photo was taken vesterday.

Stocks break 2-day losing streak

STAR BUSINESS REPORT

Stocks regained yesterday, breaking a two-day losing streak thanks to the buying spree of investors.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 35 points, or 0.57 per cent to 6,212.76.

Turnover, an indicator of liquidity flow in the market, dropped 5 per cent to Tk 1,491 crore from Tk 1,577 crore a day earlier.

At the DSE, 191 stocks advanced, 155 declined and 28 remained unchanged.

Tamijuddin Textiles topped the gainers' list, rising 10 per cent, followed by Paper Processing & Packaging, CVO Petrochemicals, Bangladesh Monospool Paper Manufacturing, and Sonali Life Insurance.

Stock of Beximco Ltd traded the most, worth Tk 102 crore, followed by LafargeHolcim Bangladesh Keya Cosmetics, Beximco Pharmaceuticals, and Aman Feed Mills. Trust Bank shed the most, falling 11.34 per cent, followed by Envoy Textiles, Fas Finance, ICB Islamic Bank, and Olympic Accessories.

The port city bourse also rose yesterday. The CASPI, the general index of the Chittagong Stock Exchange, advanced 120 points, or 0.67 per cent, to 18,001.

Among 321 traded stocks, 159 advanced, 136 dropped and 26 remained unchanged.

RAJIB RAIHAN





Mohammed Monirul Moula, managing director and CEO of Islami Bank Bangladesh, virtually addressed its Business Development Conference recently. Additional managing directors Muhammad Qaisar Ali and Md Omar Faruk Khan and deputy managing directors Abu Reza Md Yeahia, JQM Habibullah, Taher Ahmed Chowdhury and Md Mostafizur Rahman Siddiquee attended the programme.

Syed Ashiqur Rahman, general manager of Bproperty, and Md Ridwanul Hoque, head of retail distribution division of Midland Bank, recently signed an agreement at the bank's Gulshan-2 head office to provide home loans to Bproperty's clients. Khondokar Rejbeen Ahsan, general manager of Bproperty, and Khondkar Towfique Hossain, head of international division of the bank, were also present.

ECB to announce revamped inflation target, climate role

REUTERS, Frankfurt

The European Central Bank was to announce the outcome on Thursday of an 18-month strategy review, redefining a inflation target seen by some as confusing and laying down what role it can play in the fight against climate change.

The central bank's first strategic review since Lagarde's priorities since she took over from Mario Draghi in late 2019. Its results may

herald the biggest transformation of the hugely symmetric. But after nearly a decade of powerful but still relatively young institution that shapes monetary policy for the 19 countries that use the euro.

In a move long flagged by policymakers, the bank is likely to set its inflation target at 2 per cent, ditching its current formula of "below but close to 2 per cent", which has created the 2003 has been one of ECB President Christine impression it worried more about price growth above the target than below it.

The target is also likely to be declared

undershooting its current goal, investors will be watching for clues to whether the ECB will be willing to let inflation overshoot following bouts of low price growth.

They will also be looking to see if the ECB will follow its US counterpart the Federal Reserve in targeting average inflation over a period to make up for lost price growth.

An explicit reference for tolerating an inflation overshoot is likely to be seen by investors as a commitment to keep monetary policy ultra-easy for an even longer period and would be seen as an assurance that 2 per cent is not a cap, as now perceived.

But such a move could be politically risky, particularly among inflation-wary Germans, and Bundesbank chief Jens Weidmann has long opposed it.

The ECB is also likely to say that its inflation methodology needs to be updated to include costs of owner-occupied housing (OOH). Those are measured by EU statistics body Eurostat, however, and any change is likely to be years away as this would require changes in how some countries collect data.

OOH could lift headline inflation by around 0.2-0.3 per cent points in the current low interest rate environment, analysts say.

On climate change, the ECB looks almost certain to use its bank supervision arm to force companies to make greater climate-related disclosures

Raising collateral requirements for polluting

US states accuse Google of app store monopoly

AFP, San Francisco

Dozens of US states joined forces in a lawsuit filed Wednesday accusing Google of abusing its power when it comes to getting apps for Android-powered mobile devices.

The litigation aimed at the Play Store online shop for apps and other digital content for Android smartphones comes as the power of Big Tech firms is facing increasing pressure from regulators and lawsuits.

"We are filing this lawsuit to end Google's illegal monopoly power and finally give voice to millions of consumers and business owners." said New York attorney general Letitia James, a leader of the litigation.

"The company has ensured that hundreds of millions of Android users turn to Google, and only Google, for the millions of applications they may choose

to download to their phones and tablets.

"The lawsuit backed by 37 attorneys general accuses Google of using anticompetitive tactics to discourage Android apps from being distributed at shops other than its Play store, where its payment system collects commissions on transactions.

Google rejected accusations in the suit as meritless, detailing ways that the Play Store has helped app makers thrive while providing security for Android device users.

"Android and Google Play provide openness and choice that other platforms simply don't," Google senior director of public policy Wilson White said in a post.

"The complaint is peppered with inflammatory language designed to distract from the fact that our rules on Android and Google Play benefit consumers. "The lawsuit contends that Google has inserted itself as "the middleman" between app developers and consumers





The headquarters of the European Central Bank (ECB) in Frankfurt, Germany.

nims of skewing asset purchases around climate goals have also been on the table, but appear to be generating greater debate among the 25 members of the Governing Council.

The ECB will announce the results of the REUTERS/FILE review at 1100 GMT, followed by a Lagarde news conference at 1230 GMT.

Google faces a lawsuit from dozens of US states that accuse the tech giant of abusing its power when it comes to getting apps for Android-powered mobile devices.

Samsung SDI considers building Despair mounts for the debt-trapped battery cell plant in US expected the business to make a turnaround rent in the last three months. "The landlord FROM PAGE B1

REUTERS, Seoul

South Korea's Samsung SDI Co may build a battery cell plant in the United States to support the auto industry's shift to electrification, a company source with close knowledge of the matter told Reuters on Thursday.

Samsung SDI, an affiliate of Samsung Electronics, has been in talks with automakers including Stellantis, Amazon and Ford Motor-backed electric vehicle startup Rivian to supply batteries manufactured at its potential US factory, the source said.

The South Korean battery maker is considering investing at least 3 trillion won (\$2.62 billion) to manufacture batteries for Stellantis and a minimum of 1 trillion won for batteries to Rivian, according to the source. The source added that Samsung SDI has not yet decided whether they would

venture with carmakers, or as an independent manufacturing site.

The source said the decision to build in the US reflects the changes on tariff rules in the United States-Mexico-Canada Agreement (USMCA) that took effect last year, replacing the

1994 North American Free Trade Agreement (NAFTA). The USMCA requires that vehicles have 75 per cent North American content compared with a 62.5 per cent threshold under NAFTA in order to avoid

tariffs. "We have been reviewing our expansion in the United States, but nothing has been decided yet," a Samsung SDI spokesperson said, adding that the company cannot disclose details of talks with customers. Samsung SDI has EV battery plants in South Korea, China and Hungary, which supply

launch the US plant as a joint customers such as BMW, Ford, Volvo and Volkswagen.

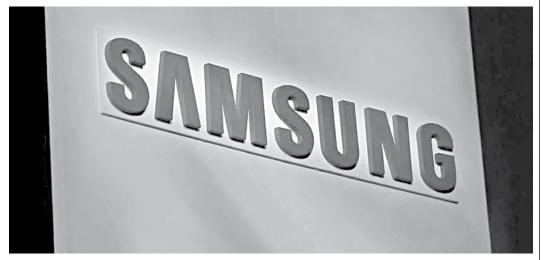
Samsung SDI's domestic rivals LG Energy Solution and SK Innovation Co Ltd have announced separate plans to manufacture EV battery cells in the US

Formed in January by the merger of Italian-American group Fiat Chrysler and France's PSA, Stellantis has battery plant projects in France and in Germany, both in a joint venture with a subsidiary of TotalEnergies.

Reuters reported on Wednesday that Stellantis is making progress on finalising a

deal to build a battery plant in Italy. The carmaker has said it

would take a decision on additional battery factories in Europe and in the US this year. In April, Rivian said Samsung SDI would supply battery cells for its vehicles.



The company logo is displayed at the Samsung news conference at the Consumer Electronics Show (CES) in Las Vegas. **REUTERS/FILE**

The study, carried out among 1,600 households in February, said 93 per cent of micro, small and medium enterprises (MSMEs) experienced financial hardship due to the pandemic, and their current income was insufficient to cover the current expenditure.

Of the MSMEs, 75 per cent had to borrow to cope with the crisis.

"When earnings opportunity for microenterprises becomes unavailable repeatedly, they have no other alternative but to take loans to survive," said Towfiqul Islam Khan, a senior research fellow of the Centre for Policy Dialogue.

At first they try to borrow from relatives and friends, and then they turn to private lenders, who impose high-interest rates. "Eventually they fall into a debt trap," Khan said.

Another survey conducted by the Power and Participation Research Centre (PPRC) and the Brac Institute of Governance and Development found households taking loans almost doubled compared to the prepandemic level.

The amount of credit per household in the cities stood at Tk 42,961 in March, up 86 per cent from February last year. For a rural household, it was Tk 58,101, up 75 per cent from February.

"The savings of the informal sector workers and micro-entrepreneurs depleted, and their debt in comparison to incomes soared because of the economic downturn. If the income of households decreases, their debt must keep going up," said PPRC Executive Chairman Hossain Zillur Rahman.

These people constitute the new poor, and although the government has expanded the social safety net by increasing the oldage allowance, the new poor has remained excluded, he said.

Mohammad Babul, a micro-entrepreneur who sells plastic goods in two small shops in the capital's Adabar and Darussalam, said his debt swelled to Tk 5 lakh in the last one and a half years.

Of the amount, Tk 3 lakh came from a bank and Tk 2 lakh from a private monevlender.

He borrowed the money as he had

as the economy reopened largely in June last

"As the pandemic situation is worsening, and one after another restriction is being put in place, I am not sure whether I would be able to repay the loans."

He will have to pay Tk 30,000 yearly for every Tk 1 lakh borrowed from the loan shark

Md Nabinullah, who sells wristwatches in a makeshift shop on Indira Road, said his monthly income declined to Tk 7,000 from Tk 20,000.

As he was unable to bear the family expenses, he took a Tk 1 lakh loan from a microfinance institution. The monthly instalment is Tk 10,500.

"I had thought that the pandemic will be over this year and my business will return to normalcy. But none wants to buy watches now," he said.

Because of the economic distress, the education of his son and daughter has become uncertain.

"I can't buy daily essentials regularly. How can I afford the cost of education for my children?" he asked.

Educational institutions have been closed since the pandemic hit Bangladesh in March last year. Although some students attend classes online, most can't afford it. The schools for primary-level students are not offering any form of education at all.

"I cannot go out begging, but none realises our pain," Nabinullah said.

Lovely Akther, a tea vendor in Tejkunipara, has not been able to pay her house rent for the last three months.

"What will I get from talking to journalists? Will the government give me anything if you write about me? In the last one and a half years, I have got nothing from anyone," she said.

Similarly, the daily income of Omar Mia, who repairs rickshaws in Mirpur, has plunged to Tk 200 from Tk 500 before the pandemic.

"I have been suffering from diabetes and heart and kidney diseases for a long time. need medicines worth Tk 120 every day,' he said.

The 60-year-old could not pay the house

is continuously putting pressure on me. He often verbally abuses me."

Omar has to look after two granddaughters after the demise of his daughter. He could not ensure nutritious food for them in the last several months.

"I hear so much about government support on the television, but I have received nothing. Now I am eagerly waiting for the Angel of Death to come and take my life."

In January this year, the government allocated Tk 1,500 crore under a stimulus package for small traders, entrepreneurs and farmers to help them tackle the impacts of the economic fallout.

Eight government and semi-government agencies, including the SME Foundation, the Joyeeta Foundation and the Bangladesh Small and Cottage Industries Corporation, have been given the responsibility to disburse the fund.

Of the amount, Tk 570 crore was allocated in the last fiscal year. The rest is expected to be disbursed this fiscal year.

Officials of five agencies such as the SME Foundation and the Joyeeta Foundation said informally-run micro-businesses and hawkers have been left out of the stimulus package as they do not meet the eligibility criteria, which state that the beneficiaries have to have trade licences and permanent establishments to qualify.

Md Mafizur Rahman, managing director of the SME Foundation, said the state agency channelled funds through banks and nonbank financial institutions.

"Discussions on the need of the informal sector are going on at various forums unofficially. Like other sectors, informal businesses have been severely affected. Thousands of people are engaged in the informal sector. This sector should be given support," he said.

Of the total employed workforce, about 85 per cent are in the informal sector.

CPD's Khan called for expanding the social safety net to support the MSMEs.

PPRC's Rahman said the government should bring the new poor under the safety net programmes and increase the stipend amount for primary school students from Tk 100 to Tk 500 per month.

BUSINESS



Reform NBR, policies for better tax-GDP ratio

Speakers say at webinar

STAR BUSINESS REPORT

a webinar.

they said.

World

efficiency, productivity and fairness,

Mobilisation Program for Results;

Improvement Projects in Bangladesh"

was jointly organised by Sushasoner

Jonny Procharavizan (SUPRO) and

that Bangladesh's narrow tax base,

widespread tax evasion, exemptions

and administrative inefficiencies are

the main reasons behind the country's

low tax-to-GDP ratio compared to its

Marc Cohen, a researcher of

Oxfam America, Mohammad Shahid

Ullah, a researcher of SUPRO, and

Nasiruddin Ahmed, former chairman

of the National Board of Revenue

(NBR), presented a study on the

"Aid to Pro-Poor Domestic Revenue

Revenue Mobilisation Program for

They said the existing tax policies

are failing to address the challenges of

South Asian peers.

Results in Bangladesh"

The speakers went on to say

Oxfam Bangladesh on Wednesday.

The webinar styled "Revenue

Bank supported

VAT

AHM Hasinul Quddus Daraz gets new chief corporate officer

STAR BUSINESS DESK

Online marketplace Daraz Bangladesh recently witnessed the appointment of a new chief corporate affairs officer.

The appointee, AHM Hasinul Quddus, was previously serving as stakeholder relations director at Banglalink Digital Communications.

He also worked for Grameenphone and Huawei Technologies Company (Bangladesh) in his 17 years' professional career.

"AHM Hasinul Quddus brings his extensive knowledge in corporate and regulatory affairs to Daraz and the e-commerce industry as a whole," said Syed Mostahidal Hoq, managing director of Daraz Bangladesh.

situation.

The government should develop a This highlights a multitude of progressive tax system that ensures problems in the existing tax system, the efficient redistribution and use ney added of resources to address inequality in Tax avoidance is a major problem the country, according to speakers at in the country as some businesses

who collect value-added tax from consumers end up evading the tax by Although numerous tax reforms have taken place over the past few under-reporting it while importers decades, none of them have brought avoid it by under-invoicing. significant changes to the country's tax

Besides, the tax system is unnecessarily complicated due to ageold corruption and incompetence, preventing a level playing field for taxpayers.

Under the existing system, people get demoralised when they see rich people and big companies not paying their taxes properly.

The NBR does not even have a comprehensive database linked with different business licences and registrations, according to the study. The efficiency and capacity of the

tax administration are not updated due to the lack of modern ICT solutions and automation while poor people have no idea that they pay taxes every day, it said.

So, the NBR should develop a strong database on potential taxpayers that is fully equipped with modern ICT tools and techniques to collect real information to assess each individual's Mobilisation: The World Bank's or company's tax liabilities. Besides, the tax return process should be made easy and simple, it added.

Addressing the event as chief guest, Planning Minister MA Mannan said a inequality while the preponderance of low tax-to-GDP ratio means that there

indirect taxes is the root cause of this is something wrong with the tax system.

This is because, upon failing to ensure adequate tax collection, we have to reach out to both domestic and foreign lenders and end up bearing the burden of debt," he added.

So, there are some strange rules and policies in place that need to be cleared up and reformed while the NBR needs to be further modernised.

Highlighting some complications in the existing tax system, Aroma Dutta, a member of parliament, said this is a highly technical subject that is not fully understood by the general people.

"The current system is not applicable for us at all. Without imposing the law, this should be made people-friendly and pro-women," she added.

Atiur Rahman, former governor of Bangladesh Bank, said: "We pay only 9 per cent of the GDP as tax but there is no shortage of people to pay taxes in the country. The main problem is that we are not able to bring them under the tax net."

"We need to expand the range of our tax culture. The tax system needs to be further digitised and the NBR should be reformed," Rahman added.

Tawfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue; Dipankor Datta, country director of Oxfam; Muhammad Abdul Mazid, former NBR chairman; Kazi Farid Uddin, first secretary of VAT Policy at the NBR; and Mohammad Soeb Iftekhar of Oxfam Bangladesh spoke at the programme, moderated by SUPRO Chairperson Abdul Awal.

India's inflation likely edged up to seven-month high in June

REUTERS, Bengaluru

India's retail inflation probably accelerated to a sevenmonth high in June on rising food and fuel prices, staying above the Reserve Bank of India's comfort zone for a second straight month, a Reuters poll showed.

While many of India's states have eased restrictions imposed to contain the coronavirus, supply-side disruptions remain and higher taxes on petroleum products continue to exert upward pressure on inflation.

The July 5-7 poll of 37 economists showed retail inflation rose to 6.58 per cent in June from a year ago. It was 6.30 per cent in May.

If realised, it would mean inflation above the central bank's target range of 2 per cent-6 per cent for a second month, putting pressure on the RBI to tame prices amid a faltering economic recovery

"We believe the biggest driver of June inflation would be elevated levels of fuel prices engendered by high domestic tax on petroleum products and its pass-through to transportation costs," said Kunal Kundu, India economist at Societe Generale. A recovery in global demand has driven a rally in commodity prices, including crude oil which contributed to record-high fuel prices in India.

Fuel prices have risen over 30 per cent from May of last year, driving prices up across the board. Analysts expect high fuel prices and rising input costs for companies to keep inflation elevated for some time.

"I expect India's headline inflation to remain over 6 per cent y/y for the next few months. Price pressures are coming mostly from the supply side, reflecting higher commodity prices and supply chain bottlenecks," said Tuuli McCully, head of Asia-Pacific economics at Scotiabank.

"I expect the RBI to tolerate the higher inflation readings through 2021, as there are no signs of significant demanddriven inflation, and as domestic demand remains soft on the back of virus-related issues.

The RBI is facing the difficult conundrum of balancing growth-inflation dynamics. While the RBI's focus remains on growth, minutes of the June meeting showed the Monetary Policy Committee would remain watchful on inflation. "Needless to say, the Reserve Bank of India is caught between a rock and hard place, as with higher inflation, monetary policy efforts to revive growth lose a degree of freedom," noted economists from ANZ.

Have a TIN? Get ready to file tax return

Deliveroo reports 88pc jump in orders

REUTERS

Deliveroo's orders jumped 88 per cent during the June quarter, although the food delivery firm tempered its outlook for annual profit margins on Thursday, as it burns more cash and orders return to pre-pandemic levels.

The company, which listed in London in March, said growth in its annual gross transaction value (GTV) a measure of the total value paid by customers apart from tips is expected between 50 per cent and 60 per cent, up from the previously forecast 30 per cent-40 per cent.

Deliveroo said it saw an opportunity to invest more in growth opportunities in the second half of the year, without elaborating further. The higher spending, along with the expectation that average order values would return to pre-pandemic levels, would weigh on profit margins, it added.

The company maintained its annual gross margins forecast of 7.5 per cent to 8 per cent, but said margins would likely come in at the lower end of that range. This is a second business update from Deliveroo after going public in a much anticipated stock market debut in March that saw its shares plunge 30 per cent.

LinkDoc first China firm to shelve US IPO after Beijing's crackdown

REUTERS, Hong Kong

Chinese medical data group LinkDoc Technology Ltd has shelved plans for an IPO in the United States due to Beijing's clampdown on overseas listings by domestic firms, according to three sources with direct knowledge of the matter.

It is the first Chinese firm known to have pulled back from IPO plans since China's cybersecurity regulator toughened its approach to oversight last week with an investigation into two days after its New York debut. Securities. That was soon followed with an order for Didi's app be removed from app

triggered a sell-off in US-listed Chinese stocks.

LinkDoc's decision to suspend its \$211 million IPO, first reported by Reuters, is likely to be followed by others, analysts said, although they noted that US listings were not barred per se.

"For companies applying for a US listing, they may have to wait for further clarification, stricter scrutiny and pre-approval from different regulators and authorities," said Bruce Pang, macro & strategy ride-hailing giant Didi Global Inc just research head at China Renaissance

"The new rules may impose long waiting periods on any companies

Backed by Alibaba Health Information Technology Ltd, LinkDoc filed for its IPO last month and was due to price its shares after the US market close on Thursday.

It had planned to sell 10.8 million shares between \$17.50 and \$19.50 each. The book closed one day earlier than planned on Wednesday, one of the three sources and a separate person said.

The sources declined to be identified as the information has not yet been made public.

LinkDoc did not immediately respond to a request for comment.

Morgan Stanley, Bank of America, and China International Capital Corp

Any individual who is a partner, shareholding director or shareholding employee of a business will also have to file tax returns.

Car owners, holders of trade licences issued by any local government authority, and other professionals will also need to comply with the rules.

Tax return submission is also mandatory for opening savings accounts of over Tk two lakh with the Post Office. Individuals who purchased more than Tk two lakh of national savings certificates will also need to file returns this fiscal year.

In addition, senior citizens, female file a tax return if their income crossed said, "By paying tax, taxpayers are 5,000. And in case of a taxpayer who Tk 350,000 in the last income year. And it is good to prepare for accomplishing the task of tax compliance early, said a senior official of the NBR.

this year so that taxpayers file returns early and avoid hurrying at the eleventh hour," he said.

As a part of the preparations, person in general has to collect his or her salary, income or salary certificates, bank statement and statement of investment in savings and other designated instruments, insurance and stocks in order to submit them along with the tax return, he said.

"Without proof of investment, one cannot claim tax rebates," he added. And one has to file a return in a prescribed form available on the

website of the NBR.

"We have issued guidelines early countries or for higher education abroad. As a proof of solvency, along with bank certificates, tax clearance certificates also support the financial stability of the guardian.

But if anyone avoids filing income asset and expenditure statements, there are consequences.

Taxpayers will be liable to pay delay interest of 2 per cent per month on the tax payable starting from the end of Tax Day.

Additionally, the tax authority may impose a penalty of 10 per cent on last year's income but not less than Tk 1,000, and Tk 50 for each day during the period of delay, he added.

However, there is a limit of penalty. Jasim Uddin Rasel, a tax consultant, In case of a new taxpayer, the amount and transgender taxpayers will have to who runs a blog on tax matters, of penalty shall not be more than Tk participating in developing the has submitted a return in an earlier year, the penalty shall be higher between 50 per cent of tax payable on Tax clearance certificates are last year's income or Tk 1,000, Rasel said

FROM PAGE B1

stores.

Beijing also said on Tuesday it would strengthen supervision of all Chinese firms listed offshore, a sweeping regulatory shift that

difficult to raise funds overseas," he

said.

hoping to list abroad which will hit Ltd (CICC) were the investment banks investor sentiment, depress valuations on the deal. Morgan Stanley and Bank for IPOs in the US and make it more of America declined to comment, while CICC did not respond to a Reuters request for comment.

economy of the country."

There are other benefits too. required to get travel visas to many

Trial use of lighter jetty begins

FROM PAGE B1

Till date, such imported scrap being taken onto lighters could be unloaded in a few private ghats. Still, their numbers were inadequate in the context to the need, forcing the big-sized vessels to stay put for longer periods.

Karim said apart from that, since the port can allocate only one or two of its jetties for berthing of scrap-carrying mother vessels, the vessels need to wait at the outer anchorage for 10 days to 30 days, causing the businesses to bear a huge amount of demurrage for overstays of ships.

Now they would be able to unload the imported scraps from lighters at the new jetty in less time, which would help in quickly reducing the draft of the mother vessels, he added.

The steel-maker imports 10,000 tonnes to 50,000 tonnes of scrap in one or two vessels every month. KSRM will have to pay Tk 5.10 crore per year to the CPA as rent for the jetty.

The CPA constructed the 400-metre lighter jetty facility, which comprises four jetties, each 100 metres in length, in the port city's Sadarghat area in 2013 as part of a capital-dredging project in the Karnaphuli river starting in April 2011.

The Tk 229.54 crore project titled "Capital Dredging and Bank Protection with Jetty

Facilities in the Karnaphuli River from Sadarghat materials of steel factories of three groups, while Jetty to 3rd Karnaphuli Bridge" was initially awarded to the Malaysian Maritime and Dredging Corporation (MMDC).

But the project came to a halt in 2013 when the local agent, Pacific Marine, of the contractor abandoned it, prompting the CPA to cancel its agreement with the Malaysian contractor in August 2014.

The project remained on halt for five years due to legal complications.

Before the Malaysian contractor abandoned the works, about 80 per cent of the project had been complete, including the completion of the 400-metre lighter jetty facility.

In September 2018, the CPA resumed the project changing its name to "Navigability Enhancement Project in Karnaphuli River from Sadarghat to Bakalia Char" and awarded the contract to Bangladesh Navy.

But the work of the project slowed after a thick layer of polythene was traced in the riverbed.

Meanwhile, the CPA, in May 2018, leased out the four jetties for 10 years to four industrial groups -- BSRM, Abul Khair, KSRM and Ruby Food.

Three of the jetties were for unloading raw

the remaining one was to be used for unloading food grains imported by BSRM Group.

Due to a lack of required navigability, the jetties could not be made operational in the last three years, according to the CPA.

CPA Chief Hydrographer Commander M Arifur Rahman said the four lighter jetties could be made fit for operation through dredging at its portion of the river.

He said three other groups would also start using the remaining three jetties within one or two weeks.

Officials of BSRM Group said they would start unloading scrap at their allocated jetty from next Sunday.

In Bangladesh, around 4.5 million tonnes of scrap are imported by steel makers every year.

BSRM accounts for 30 per cent of the scrap imports while Abul Khair Steel 20 per cent KSRM 8 to 10 per cent, and GPH Ispat around 10 per cent.

Scrap import has increased tremendously since 2015. The government has started discouraging the import of billets by gradually increasing import duties since 2012 to encourage domestic production.

Government of the People's **Republic of Bangladesh**



গডবে সডক ও জনপথ

Office of the Project Manager (RHD) Construction of 8th Bangladesh China Friendship Bridge Project Sarak Bhaban, Tejgaon, Dhaka-1208 Mob: +8801730782798 E-mail: pdbcfp@gmail.com

Invitation for Re-Tender (OTM)

e-Tender is invited in the National e-GP System Portal for the following works:

f	Tender ID & Package No.	593535 & e-GP/001/8thbcfb/2020-2021		
p	Name of tender	Construction of Toll Plaza including Rigid		
t, d		Pavement with associated site office		
y		building and Inspection Bungalow under		
d		8th Bangladesh-China Friendship Bridge		
y ge		Project.		
	Tender last selling date and	Date 26-July-2021 & Time 17:00.		
_	time			
	Tender closing & opening	Date 27-July-2021 & Time 12.00.		

Private credit growth sinks to 28-year low Bicycle exports hit

FROM PAGE B1

Mir Nasir Hossain, a former chairman of the Federation of Bangladesh Chambers of Commerce and Industry, said no new investment was taking place now.

"The service sector is largely subdued while many SMEs lost their capacity to run operations due to the slowdown."

Many small businesses were unable to borrow as banks were reluctant, said Hossain, also a director of Eastern Bank.

Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank, said banks were cautious in disbursing new loans. On the other hand, investors were not interested in setting up new enterprises.

"These two factors have hit the private sector explicitly," said Shirin, adding that the revival of the private sector completely depended on tackling the virus.

Monzur Hossain, research director of

the Bangladesh Institute of Development Studies, said business confidence would receive a boost if the spread of the pandemic could be arrested.

The economy might start getting back its growth momentum from December as the government had recently geared up the mass vaccination drive, he said.

"Major economies in Europe and North America have resumed their normal activities, which will help Bangladesh tackle the slowdown."

The banking industry had faced various problems even before the pandemic.

"A number of financial scandals had rattled the banking sector. The slowdown has just deepened their troubles," said Kutubuddin Ahmed, chairman of Envoy Textile, an apparel exporter.

"So, banks are highly cautious in providing new loans."

a new high FROM PAGE B1

It is expected to expand at a compound annual growth rate of 7 per cent from 2021 to 2028, he added.

"The increase in the number of people opting for bicycling as a form of leisure is anticipated to propel the growth. Preference for bicycles as a convenient form of exercise to ensure a healthy life, free from obesity and other disorders, is expected to further drive the market expansion," he said.

"It is now being treated as an environment friendly, green mode of transportation as well," he said.

The export opportunity and development of domestic manufacturing facility also helped generate at least 7,000 jobs directly, said Bari. He said manufacturers need policy support to expand export.

"We requested cash incentive for bicycle export in addition to bond facility," he said, demanding a reduction of corporate tax for bicycle exporters to 12 per cent in line with that for the garment sector.

date and time

GD-1330

This is an online tender, where only e-Tender will be accepted in e-GP Portal and no offline/hard copy will be accepted. To submit e-Tender, please register on e-GP System (http://www.eprocure.gov.bd). For more details please contact e-GP help desk (helpdesk@eprocure.gov.bd).

> 207/2021 Masud Mahmud Sumon ID No. 602165 Project Manager (EE), RHD Construction of 8th Bangladesh China Friendship Bridge Project Sarak Bhaban, Tejgaon, Dhaka-1208



BUSINESS

Safe food production loses steam

Farmers are returning to chemical pesticides due to higher prices of bio-pesticide, slow marketing

Akanda Muhammad Jahid

A Tk 58.5 crore project has created interest among farmers to grow foods by using bio-pesticides. And an increased number of growers have switched from using chemical pesticides.

However, they are again returning to chemical pesticides to produce vegetables and other crops, mainly because of higher prices of environment-friendly pesticides and inadequate marketing facilities for safe foods, finds a report by the Implementation Monitoring and Evaluation Division (IMED) of the planning ministry.

The government took up the project, 'Safe Crop Production Integrated through Pest Management (IPM)' in July 2013 to encourage farmers and support them to grow safe food crops through integrated pest management (IPM) practices.

The Department of Agricultural Extension (DAE) implemented the project ending in June 2018.

To assess the impact of the scheme, the IMED has conducted a study recently

The IMED said the project strengthened safe food production by encouraging farmers to use biopesticides and fertiliser through setting up 6,700 farmers' field schools, 6,700 IPM clubs and providing training to farmers.

But many farmers who had been brought under the scheme are now more interested in using chemical pesticides due to increasing demand and high price of bio-pesticides in the markets, it said.

Besides, about 20 per cent of the IPM clubs have already become inactive due to a lack of effective monitoring.

The complicated registration system for the IPM club membership and the reluctance of the club members to deposit monthly fees are also the reasons behind the inactiveness of the club, the IMED data showed.

The major objectives of the scheme, titled "Safe Crop Production



A pheromone trap being used in the cultivation of tomato at Darikamari village in Panchagarh sadar upazila of Panchagarh district. There has been a lack of proper marketing for safe crop production, which is discouraging farmers from cultivating safe foods, according to a survey.

production and income of farmers in increased to 39,048 and pesticide a sustainable and environmentally use has decreased by about 14.26 friendly way, and popularise pest management activities through the use of the IPM method.

The survey showed that after implementation of the scheme, every year 12.7 per cent of new farmers decreased by 11.30 per cent, 23.39 and 10.4 per cent of land have been included in the IPM system.

In the first financial year of the

per cent. It said due to the use of a proper amount of organic fertilisers and pesticides, the costs of paddy, vegetable and fruit cultivation have per cent and 14.09 per cent per hectare respectively.

Moreover, the yields of paddy, through Integrated Pest Management scheme, about 12,361 farmers vegetables and fruits have increased (APM) Policy", were to increase both used the IPM method which has by 5 per cent, 7 per cent and 7 per

cent respectively.

However, there has been a lack of a proper marketing system for safe crop production, which is discouraging the farmers from cultivating the safe food, it said.

To strengthen the marketing of safe crops, the study suggested the local agriculture offices establish safe vegetable corners in every local market with the help of the local government representatives.

Besides, due to the increasing

demand and high price of environment friendly pesticides, farmers are giving up the use of those pesticides and are being prompted again to the use of traditional chemical pesticides.

STAR/FILE

The IMED said the benefits of the project would be ensured if the price of bio-pesticide and fertiliser was reduced

Besides, to ensure the benefits of the project, it suggested making the by day. Now we give suggestions and IPM club registration process easier, prescriptions going to the spot."

involving the clubs in all activities of the DAE and strengthening of monitoring upazila-level agriculture offices.

It also suggested to cultivate pest tolerant varieties and strengthen the use of bioagents in the production of safe vegetables.

Ahsanul Haque Chowdhury, director of the project, said he did not get the IMED survey report yet.

"I can't say anything without looking at the survey report," he said. DAE Director General Md Asadullah said the demand for environment friendly pesticides has grown but in fact its price has not increased.

This is because the benefits of using bio-pesticide once are the same as using chemical pesticides four times, he said.

In fact, interest among the farmers, who are producing safe food crops, is declining as there is no separate market system for them, he said.

If the market system was good and the prices of those crops were high, the interest of farmers in producing safe food would have increased and the process of producing safe food grains would have been more sustainable, Asadullah said.

"So we have given suggestions to the government in this regard. As a part of this, we have already set up safe vegetables markets in different parts of the country, including Dhaka. Those efforts are still ongoing to make the success of this project sustainable. Work will start on a larger scale in the coming days," he said.

In order to encourage the farmers under the project, direct field-level training and education are being provided to the farmers, the DAE DG said, adding that no incentives were provided.

Regarding the inaction in the supervision of the employees of the local agriculture office, he said there was no weakness in the monitoring system.

"How is so much crops being produced if there is weakness in monitoring?" he asked, adding, "Our monitoring is increasing day

GLOBAL BUSINESS

World food prices

fall in June for first time in a year: FAO

REUTERS, Rome

World food prices fell in June for the first time in 12 months, pushed lower by declines in vegetable oils, cereals and dairy products, the United Nations food agency said on Thursday.

The Rome-based FAO also said in a statement that worldwide cereal harvests would come in at nearly 2.817 billion tonnes in 2021, slightly down on its previous estimate, but still on course to hit an annual record.

The Food and Agriculture Organization's food price index, which measures monthly changes for a basket of cereals, oilseeds, dairy products, meat and sugar, averaged 124.6 points last month versus a revised 127.8 in May.

The May figure was previously given as 127.1. On a yearon-year basis, prices were up 33.9 per cent in June.

FAO's vegetable oil price index plunged 9.8 per cent in June, partly on the back of a fall in palm oil prices, which were hit by expectations of output gains in leading producers and a lack of fresh import demand. Soy and sunflower oil quotations also dropped.

The cereal price index dropped 2.6 per cent in June month-on-month, but was still up 33.8 per cent yearon-year. Maize prices fell 5.0 per cent, partly because of higher-than-expected yields in Argentina and improved crop conditions in the United States.

International rice prices also fell in June, touching 15-month lows, as high freight costs and container shortages continued to limit export sales, FAO said.

Dairy prices dipped 1.0 per cent on a monthly basis, with all components of the index easing. Butter recorded the largest drop, hit by a rapid decline in global import demand and a slight increase in inventories, especially in Europe. The sugar index posted a 0.9 per cent month-onmonth gain, reaching its highest level since March 2017. FAO said uncertainties over the impact of unfavourable weather conditions on crop yields in Brazil, the world's largest sugar exporter, pushed prices up.

The meat index rose 2.1 per cent from May, with quotations for all meat types rising as increases in imports by some East Asian countries compensated for a slowdown in China's meat purchases



Vegetables are on display at a fruits and vegetable stand at the Plaza de Dia market in Madrid, Spain. REUTERS/FILE

Asian companies see smallest earnings upgrade in 12 months

REUTERS, Reuters

Asian firms received their smallest upgrade in 12 months in June, hit by a resurgence of Covid-19 infections in the region which prompted new restrictions on people's movement to curb fresh coronavirus outbreaks.

Analysts lifted their forecasts for Asian companies' forward 12-month profits by 0.2per cent in June, the smallest upgrade in a year, Refinitiv data showed.

The manufacturing activity grew at a slower pace in China and Japan as raw material prices rose, while activity shrank in Vietnam, Malaysia and India, where governments imposed tougher restrictions to contain new outbreaks.

The spread of the Delta variant continues to drive global case counts higher, with South Korea reporting its highest ever oneday number of infections on Thursday after Indonesia reported record deaths on Wednesday.

Thailand, Indonesia and China, Malaysian firms faced cuts to their forward earnings forecasts last month. Growth in China's factory activity slowed



A man stands on an overpass with an electronic board showing Shanghai and Shenzhen stock indexes, at the Lujiazui financial district in Shanghai, China on January 6. REUTERS/FILE

to a 15-month low in June, hit by supply chain woes and a resurgence of Covid-19 cases

Japan and Hong Kong had small upgrades. On the other hand, Australian firms' profits were lifted by 3per cent, thanks to a surge in commodity prices.

Analysts also raised their forward 12-month earnings estimates for Vietnamese companies by 9.3per cent in the last month as a recovery in developed economies bolstered the country's exports

The data showed Asia is expected to post an earnings growth of 34.7per cent in 2021, compared with Europe's 63.4per cent and the United States' 45.5per cent.

However, Sean Taylor chief investment officer for the Asia Pacific at DWS, said in a note that Asia is well placed to grow above the trend in the post-pandemic world.

"North Asian markets (China, Taiwan, South Korea) in particular have managed the Covid-19 crisis very well. That is why they have had to take on less debt. That should have a positive impact going forward."

US, Canada raise concern over Mexico energy, investment climate

REUTERS, Mexico

Trade ministers from the United States and Canada expressed concern on Wednesday about Mexico's energy policies, as they met with their Mexican counterpart to mark the one-year anniversary of a regional trade pact.

US Trade Representative (USTR) Katherine Tai told reporters during a oint news conference that the United States is closely following Mexican President Andres Manuel Lopez Obrador's approach to the oil and power sectors, and seemed to suggest underlying differences.

"With respect to the energy policies that we see being discussed and envisioned by the Lopez Obrador administration, we are watching very closely. ... We are raising our concerns. We are here to engage," Tai said, without citing specific issues.

Her answer came in response to a question about the Mexican government's decision late last week to choose state-owned Pemex to run a major shared oil find instead of a private consortium led by US oil company Talos Energy Inc, which made the discovery in 2017.

Canadian Trade Minister Mary Ng reiterated Canada's "ongoing concern with the investment climate in Mexico specifically in energy and mining sectors," but welcomed the expected reopening of the San Rafael mine operated by Canadian miner Americas Gold and Silver Corp. The mine in northern Mexico will reopen following an extended labor dispute. It primarily produces silver, zinc and lead.

Tai and Ng met in Mexico City with Mexican Economy Minister Tatiana Clouthier at the anniversary

of the entry into force of the United StatesMexicoCanada Agreement (USMCA). The pact replaced the North American Free Trade Agreement.

Ng welcomed the historic, allfemale makeup of the group, dubbing them the "three amigas," or "three friends" in Spanish. While in Mexico, the ministers met with entrepreneurs from underrepresented groups, as well as representatives from Mexicos leading business groups, and visited institutions involved in Mexicos labor reform, USTR said in a statement.

"With this meeting, Mexico, the United States, and Canada reaffirmed their commitment to North American supply chains and economic competitiveness, which have created significant economic growth and benefits for people and workers in all three countries," USTR said.

French economy much stronger in Q2: central bank

AFP, Paris

The French economy grew twice as fast as expected in the second quarter, the central bank said Wednesday, as business activity surged after Covid-19 restrictions were lifted.

The Banque de France said that the eurozone's second-biggest economy expanded by around 1.0 per cent from the first three months of the year, while noting that supply bottlenecks and staff shortages had still combined to hobble the recovery.

The bank maintained a 2021 growth forecast of 5.75 per cent, expecting activity to withstand the effects of a feared fourth wave of coronavirus infections.

The European Commission has estimated that the French economy will expand by 6.0 per cent this year, the same figure floated last week by the national statistics agency Insee.

French authorities have remained a bit more cautious meanwhile, and are sticking for now to a full-year growth forecast of 5.0 per cent.