



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 Mostahidul Hoq, managing director of Daraz Bangladesh.

Reform NBR, policies for better tax-GDP ratio

Speakers say at webinar

STAR BUSINESS REPORT

The government should develop a progressive tax system that ensures the efficient redistribution and use of resources to address inequality in the country, according to speakers at a webinar.

Although numerous tax reforms have taken place over the past few decades, none of them have brought significant changes to the country's tax efficiency, productivity and fairness, they said.

The webinar styled "Revenue Mobilisation Program for Results; World Bank supported VAT Improvement Projects in Bangladesh" was jointly organised by Sushasoner Jonny Procharavizan (SUPRO) and Oxfam Bangladesh on Wednesday.

The speakers went on to say 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 South Asian peers.

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 Mobilisation: The World Bank's Revenue Mobilisation Program for Results in Bangladesh".

They said the existing tax policies are failing to address the challenges of inequality while the preponderance of

indirect taxes is the root cause of this situation.

This highlights a multitude of problems in the existing tax system, they added.

Tax avoidance is a major problem in the country as some businesses who collect value-added tax from consumers end up evading the tax by under-reporting it while importers avoid it by under-invoicing.

Besides, the tax system is unnecessarily complicated due to age-old 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 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 low tax-to-GDP ratio means that there

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 seven-month 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 demand-driven 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.

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 ride-hailing giant Didi Global Inc just two days after its New York debut. That was soon followed with an order for Didi's app be removed from app stores.

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

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 research head at China Renaissance Securities.

"The new rules may impose long waiting periods on any companies hoping to list abroad which will hit investor sentiment, depress valuations for IPOs in the US and make it more difficult to raise funds overseas," he said.

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 Ltd (CICC) were the investment banks on the deal. Morgan Stanley and Bank of America declined to comment, while CICC did not respond to a Reuters request for comment.

Have a TIN? Get ready to file tax return

FROM PAGE B1

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 and transgender taxpayers will have to file a tax return if their income crossed 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.

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

As a part of the preparations, a 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.

Jasim Uddin Rasel, a tax consultant, who runs a blog on tax matters, said, "By paying tax, taxpayers are participating in developing the economy of the country."

There are other benefits too.

Tax clearance certificates are required to get travel visas to many

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. In case of a new taxpayer, the amount of penalty shall not be more than Tk 5,000. And in case of a taxpayer who has submitted a return in an earlier year, the penalty shall be higher between 50 per cent of tax payable on last year's income or Tk 1,000, Rasel said.

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 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

materials of steel factories of three groups, while 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.

Private credit growth sinks to 28-year low

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 Envoxy Textile, an apparel exporter.

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

Bicycle exports hit 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.

Government of the People's Republic of Bangladesh

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:

Tender ID & Package No.	593535 & e-GP/001/8thbcfb/2020-2021
Name of tender	Construction of Toll Plaza including Rigid Pavement with associated site office building and Inspection Bungalow under 8th Bangladesh-China Friendship Bridge Project.
Tender last selling date and time	Date 26-July-2021 & Time 17:00.
Tender closing & opening date and time	Date 27-July-2021 & Time 12:00.

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).

Masud Mahmud Sumon
08/07/2021

Masud Mahmud Sumon

ID No. 602165

Project Manager (EE), RHD

Construction of 8th Bangladesh China

Friendship Bridge Project

Sarak Bhaban, Tejgaon, Dhaka-1208

GD-1330