

Shanta fund announces 20.5pc dividend

STAR BUSINESS DESK

Shanta Asset Management has recently declared 20.5 per cent (Tk 2.05 per unit) dividend for fiscal 2020-21 for Shanta First Income Unit Fund.

The dividend can be availed in cash or reinvested into the fund through purchase of units. Earnings per unit stands at Tk 2.88 with 71.2 per cent of earnings disbursed among investors, says a press release.

The fund generated a 62.5 per cent return for the recently concluded fiscal year.

Chief Executive Officer Mohammad Emran Hasan said they identified both in-depth research and discipline as key to the fund's performance.

CORRECTION

An article headlined 'LafargeHolcim sales, profit jump' published on B1 on July 15 mistakenly mentioned that the company's gray cement sale was Tk 100 crore in the April-June quarter of 2021 compared to Tk 76 crore a year earlier. Actually, the sales stood at Tk 1,000 crore during the period in comparison to Tk 760 crore a year ago. We regret the error.



Syed Waseque Md Ali, managing director of First Security Islami Bank, virtually presided over its half-yearly business conference of Chattogram north and south zones yesterday.

Google expands India cloud services with new infrastructure push

REUTERS, New Delhi

Alphabet Inc's Google is ramping up cloud infrastructure in India with a second cluster of data centres in and around capital New Delhi to meet increasing customer demands in a key growth market, senior company executives said.

The Google cloud region in Delhi and its outskirts is the US tech giant's second such piece of infrastructure in the country and the tenth in the Asia Pacific.

"We have seen enormous growth in demand for Google cloud services

in India so expanding our footprint in a new cloud region gives us the ability to offer more capacity for growth over many years," Thomas Kurian, CEO at Google Cloud, told a news conference this week ahead of a formal announcement on Thursday.

"It's a large commitment from us in capital and infrastructure investment and it's designed to allow us to capture the opportunity that we see around growth."

The new infrastructure will help provide solutions for problems such as disaster recovery within India and

ensure low latency for many state-run enterprises in and around Delhi, Kurian added. Google did not say how much it had invested to set up the new cloud facilities.

India's fledgling startup economy has also helped drive and accelerate the use of cloud services, said Bikram Singh Bedi, managing director at Google Cloud's India unit.

Google Cloud counts home-grown social network ShareChat, online travel firm Cleartrip and private sector lender HDFC Bank among its India customers.

US import prices rise solidly in June

REUTERS

US import prices increased solidly in June as bottlenecks in the global supply chain persisted, the latest indication that inflation could remain elevated for a while amid strong domestic demand fueled by the economy's reopening and fiscal stimulus.

Still, prices appeared to have peaked. Import prices rose 1.0 per cent last month after surging a 1.4 per cent in May, the Labor Department said on Thursday.

The eighth straight monthly gain left the year-on-year increase at 11.2 per cent compared with 11.6 per cent in May. Economists polled by Reuters had forecast import prices, which exclude tariffs, increasing 1.2 per cent.

The government reported this week that consumer prices increased by the most in 13 years in June, while producer prices accelerated.

Covid-19 vaccinations, low interest rates and nearly \$6 trillion in government relief

since the pandemic started in the United States in March 2020 are fueling demand, straining the supply chain.

Federal Reserve Chair Jerome Powell told lawmakers on Wednesday that "inflation has increased notably and will likely remain elevated in coming months before moderating."

Imported fuel prices advanced 4.7 per cent last month after rising 5.5 per cent in May.

Petroleum prices gained 4.6 per cent, while the cost of imported food increased 1.9 per cent. Excluding fuel and food, import prices climbed 0.6 per cent. These so-called core import prices shot up 1.1 per cent in May.

The report also showed export prices increased 1.2 per cent in June after rising 2.2 per cent in May. Prices for agricultural exports advanced 1.5 per cent. Nonagricultural export prices gained 1.1 per cent.

Malaysia Aviation Group opens tender to sell six Airbus A380-800 planes

REUTERS, Kuala Lumpur

Malaysia Aviation Group (MAG) has launched a tender for the sale of six Airbus A380-800 aircraft or their components, the company said in a post on LinkedIn on Thursday.

MAG, which is the parent of national carrier Malaysia Airlines and underwent a restructuring earlier this year, invited interested buyers to send in proposals by noon of Aug. 12.

Group Chief Executive Officer Captain Izham Ismail said in May MAG was looking to dispose of its A380 fleet, following completion of its debt restructuring.

He said at the time the group was convinced that the fleet did not fit its future plans, as it "restrategised to position its business as a global travel group."

Thai Airways, which is undergoing a court approved restructuring, has also been looking to sell the same aircraft in its fleet.

Imports via freight trains surge

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Another interchange station at Chilahati is likely to be operational from next month, Rahman said.

Besides, Bangladesh and India formally started operating commercial container trains in July last year, aiming to boost cross-border trade.

The BR mainly brings rice, wheat, stones, fly ash, poultry feed, and bolder.

The coronavirus pandemic has contributed to the sharp rise in goods transportation from India, said an official of the BR.

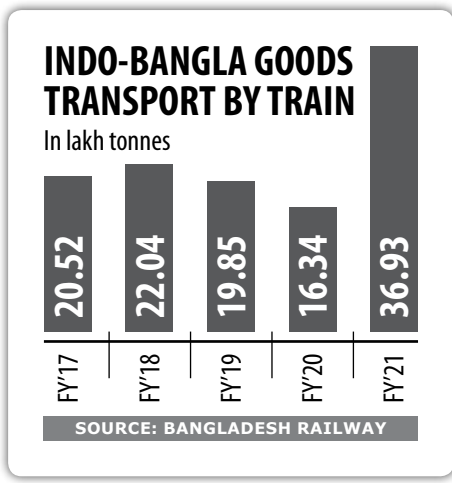
There has been a huge demand for freight trains. But the BR cannot provide enough locomotives and freight coaches even during normal times.

As the operation of passenger trains has remained suspended for a long time because of the pandemic, the BR was able to use the workforce and locomotives to run freight trains, he added.

The railways also received 10 locomotives from India in July last year as a gift to overcome the locomotive shortage. Bangladesh is using them to carry goods as well. Still, the engine shortage persists.

"There is a monthly demand for around 300 freight trains. But we can operate around 150 trains because of a lack of workforce, infrastructure and other facilities," the official said.

Chitta Majumder, managing director of Majumder Group of Industries, one of the biggest rice millers and importers in



Bangladesh that often brings goods from India via trains, said the cost of goods transportation from India by trucks was around three times the cost charged by trains.

Carrying rice through trains costs Tk 0.60 to Tk 0.70 per kg, which is about Tk 2.50 per kg if they are brought by trucks, he said.

Besides, each goods-laden truck has to wait around 22 to 24 days at the border to enter Bangladesh due to a lack of capacity of the land ports on the Bangladesh side.

On the other hand, it takes five to six hours to bring goods from Kolkata to Bangladesh, Majumder said. "However, we are not getting enough trains."

US Senate passes bill to ban all products from China's Xinjiang

REUTERS, Beijing

The US Senate passed legislation on Wednesday to ban the import of products from China's Xinjiang region, the latest effort in Washington to punish Beijing for what US officials say is an ongoing genocide against Uyghurs and other Muslim groups.

The Uyghur Forced Labor Prevention Act would create a "rebuttable presumption" assuming goods manufactured in Xinjiang are made with forced labor and therefore banned under the 1930 Tariff Act, unless otherwise certified by US authorities.

Passed by unanimous consent, the bipartisan measure would shift the burden of proof to importers. The current rule bans goods if there is reasonable evidence of forced labor. The bill must also pass the House of Representatives before it can be sent to the White House for President Joe Biden to sign into law. It was not immediately clear when that might take place.

Republican Senator Marco Rubio, who introduced the legislation with Democrat Jeff Merkley, called on the House to act quickly. "We will not turn a blind eye to the CCP's ongoing crimes against humanity, and we will not allow corporations a free

pass to profit from those horrific abuses," Rubio said in a statement.

"No American corporation should profit from these abuses. No American consumers should be inadvertently purchasing products from slave labor," Merkley said.

Democratic and Republican aides said they expected the measure would get strong support in the House, noting the House approved a similar measure nearly unanimously last year.

The bill would go beyond steps already taken to secure US supply chains in the face of allegations of rights abuses in China, including existing bans on Xinjiang tomatoes, cotton and some solar products.

The Biden administration has increased sanctions, and on Tuesday issued an advisory warning businesses they could be in violation of US law if operations are linked even indirectly to surveillance networks in Xinjiang.

Rights groups, researchers, former residents and some Western lawmakers and officials say Xinjiang authorities have facilitated forced labor by detaining around a million Uyghurs and other primarily Muslim minorities since 2016.

Use automated chalan or e-transfer

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"When public movement is restricted amid the recurring nationwide lockdowns due to Covid-19, this method of paying taxes will undoubtedly give a positive signal to taxpayers," he said. However, the tax authorities will have to take a few steps to secure the benefits, Rasel added.

An NBR official said the measure would curb the scope of using fake pay orders and chalans.

Rasel went on to say that the pressure on individual taxpayers increases during the income tax fair, especially on the final day to file tax returns on November 30, known as Tax Day.

"On these specific days, the servers will be under a lot of pressure. So, the tax authority should ensure that the servers do not crash on days when taxpayers rush to meet the deadline for being tax compliant," he said.

He also suggested that all banks should be brought under the automated chalan system.

Even mobile financial services have to be brought under this system because only then can the government reap its benefits.

Besides, tax payments will be easier too, Rasel added.

Md Humayun Kabir, chairman of taxation and the corporate laws committee of The Institute of Chartered Accountants of Bangladesh, said any step toward digitalisation was welcomed.

But since all taxpayers may not have access to digital devices, banks could consider opening service desks at branches for those who do not have access to the internet, he said last month.

Toy seller wins Tk 1 lakh in VAT lottery

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Imam usually grabs a light snack from a nearby restaurant to make up for the lost breakfast but June 20 ended up being different.

Like any other day, he ate at his usual restaurant and the bill came out to Tk 85 with Tk 5.93 as value-added tax (VAT). Imam was handed a token after paying and instead of throwing it away like he always does, he absently placed it in his pocket.

While eating at the same restaurant a few days later, he noticed a banner bearing a token number. The banner also said that the owner of this token number would receive a price of Tk 1 lakh.

So, Imam took a photo of the banner and after returning home that night, he realised that the numbers exactly matched the token he had kept by accident.

"I never dreamed that I would get such a big prize, especially in these bad times. Obviously, it's a big amount of money in the present situation," Imam told The Daily Star after receiving a cheque of Tk 1 lakh from the National Board of Revenue (NBR) yesterday.

This was all thanks to an NBR initiative

to boost the collection of value added tax (VAT) from the retail level and plug the scope for evading this charge.

As such, the NBR recently announced this prize along with 100 others which would be disbursed through lotteries in a bid to encourage people to ask for machine-generated receipts, ensuring that the actual amount of VAT paid goes to the state coffers.

On July 5, the NBR held the lottery with the receipts generated through electronic fiscal devices (EFDs) against purchases made at stores, said a press release issued by NBR Commissioner SM Humayun Kabir.

Although the first draw of the lottery was held on February 5 this year, no one had claimed first prize before Imam.

"It was a very good initiative of the NBR. I believe it will encourage people to pay VAT properly," he said, adding that he will invest the money in his business so that it may survive the Covid-19 fallout.

The second prize is Tk 50,000 and the third prize is Tk 25,000. The NBR issues five prizes for the third category. Besides, the prize money for the remaining 94 prizes is Tk 10,000 each.

No decision yet if RMG units will remain open

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"Buyers are not cancelling the work orders up until now but we will face a lot of crisis if the factories are kept shut for almost three weeks," Hassan said, adding that the suppliers had been recouping losses incurred last year.

Last year international retailers and brands initially suspended and cancelled work orders worth \$3.18 billion. After intense negotiations they reinstated some 90 per cent of it.

"We have been receiving a lot of work orders nowadays from our buyers. If the lockdown is imposed, there is a possibility of losing those work orders, as buyers will look for alternative destinations," Hassan said.

He said the BGMEA provided

a letter to the cabinet secretary citing their demand. "We have not mentioned any specific time, as we want continuation of production as usual," said Hassan.

Commerce Minister Tipu Munshi told The Daily Star on Wednesday that the government was considering allowing garment factories to remain open so that the biggest export-earning sector can continue production and keep their commitment to international buyers.

Entrepreneurs said the July-August period was the prime season for apparel manufacturers since sales rise in the Western markets for winter and Christmas. Of apparel items shipped from Bangladesh, 40 per cent are exported during these two months.

Apex trade bodies of textile and garment manufacturers and exporters had cited their demand at an emergency meeting on Wednesday.

Munshi said he had been facing a lot of pressure from the business communities, especially export-oriented garment makers, to let the factories stay open.

"I will have a meeting with the government high-ups and expert committee very soon to find ways to keep the factories running during the lockdown," Munshi had said.

Suspension of production for lockdown and Eid holidays for nearly three weeks is a long time, and the period may be shortened after discussion with the government high-ups, he said.

"We are also thinking about

some alternatives now so that both lives and livelihoods are protected during the pandemic time," he said.

The lockdown period could be shortened for the garment sector as the infection rate is very low among the workers and because testing and medical facilities are available for them, the minister also said.

"An opportunity has also been created for garment businesses, as a lot of work orders have been coming to Bangladesh even during the pandemic.

We should grab this opportunity while catering to the work orders on time," he said.

Leaders of textile, knitwear and garment accessories sectors and former BGMEA presidents also attended yesterday's meeting.

Second jetty opens for Matarbari power plant

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Earlier on December 29 last year, a vessel named as Venus Triumph carrying construction materials became the first to berth at the first jetty. Construction of the first jetty, meant for unloading fuel, was completed last year.

Around 75 per cent of the construction work for the 300-metre long second jetty, meant for unloading coal, has already been completed, according to sources close to the project.

Abul Kalam Azad, project director (PD) of the 1200-megawatt Matarbari Coal-based Power Plant, said that since another vessel is scheduled to arrive within a couple of days, they decided to berth the small-sized MV Horizonte-9 at the partially completed portion of the second jetty so that the next vessel

won't need to wait for long.

Azad, also executive director of the Coal Power Generation Company Bangladesh Limited (CPGCBL), said around 175 metres of the second jetty has already been completed.

He hopes that the jetty would be fully constructed within this year.

The state-owned CPGCBL is implementing the Tk 35,984 crore power plant project.

Azad thanked the Chittagong Port Authority (CPA) for providing harbour operation services and successfully handling ships at the jetties since December last year.

CPA Captain Ataul Hakim Siddique, also harbour operation coordinator and project manager of the Matarbari Port Development Project, said berthing a vessel at the second jetty is a milestone for the

construction of the future Matarbari Deep Sea Port since it would work as capacity building for the future port.

The idea of the deep sea port in matarbari was conceived after the government started a coal-based power plant project in the area as a wider channel and port were required to bring in fuel for the plant.

Initially, only the construction of a coal jetty was planned but when the Japan International Cooperation Agency (JICA) started implementing the project, it saw the potential for a commercial port.

As part of the power plant project, an artificial channel that is 14.5 kilometres long, 250 metres wide and 18 metres deep has been constructed.

In March 2020, the Executive Committee of the National

Economic Council (EcneC) approved the construction of a deep sea port in Matarbari involving Tk 17,777 crore. Of the estimated cost, JICA will put in Tk 12,893 crore and the rest Tk 2,213 crore will be borne by the CPA.

The CPA on September 23 last year signed an agreement with Japanese firm Nippon Koei Joint Venture (JV) Company for engineering and consultancy services for the Matarbari Port Development Project.

Once the deep sea port comprising a 300-metre multi-purpose terminal and 460-metre container terminal is built, it will be able to accommodate large mother vessels with a draft limit of 18 metres.

Vessels with up to 9 metres of draft can now berth at Chattogram port.

GP profit drops in Jan-Jun

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"Our effort in enhancing customer experience and digitalisation resulted in more subscribers choosing Grameenphone and an increase in data usage in the second quarter," said GP CEO Yasir Azman.

"Following the extensive expansion of 4G to all our towers in the first quarter, Grameenphone has focused on deploying the newly acquired spectrum and continued rolling out new sites."

Data usage per customer increased by 38.6 per cent in the second quarter, while there was a 7 per cent year-on-year growth in data users. It has more than 80 million

subscribers.

The company said the improving momentum from the beginning of 2021 had translated into growth in the second quarter as its subscription and traffic revenues grew by 8.5 per cent from last year.

The net profit for the period stood at Tk 851 crore, with a 23.8 per cent margin, said Jens Becker, chief financial officer of GP.

The operator announced an interim dividend of Tk 12.5.

GP shares closed 0.39 per cent higher at Tk 356.6 on the Dhaka Stock Exchange yesterday.