

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
0.39%	0.62%	\$1,782.40	\$71.69	55,949.10	27,742.29	3,109.42	3,501.66	84.25	98.00	114.88	12.71	
6,851.32	11,949.64	(per ounce)	(per barrel)					BUY TK	85.25	101.80	118.68	13.37
								SELL TK				

# Star BUSINESS

DHAKA FRIDAY AUGUST 27, 2021, BHADRA 12, 1428 BS • starbusiness@thedailystar.net

## BB lifts dollar sale to halt taka slide

AKM ZAMIR UDDIN

After buying a record amount of US dollars last year, Bangladesh Bank has begun selling the American greenback following a decline in remittance and an increase in imports.

The central bank purchased the dollar amounting to \$205 million in July. But it has started selling the greenback from this month as the taka is experiencing a depreciating trend after more than a year.

The central bank has sold \$223 million so far this month, data from the BB showed.

The intervention in the foreign exchange market was described by analysts as a timely move.

They, however, said remittance would play a crucial role in the foreign exchange regime in the days ahead. If it continues to fall, the central bank will have to intervene on a regular basis.

The inter-bank exchange rate stood at Tk 85.20 per dollar on August 25. On August 2, the rate was Tk 84.80, the same level it had hovered around since July last year.

The BB purchased dollars worth \$7.93 billion from local banks last year as part of its move to rein in the devaluation of the local currency.



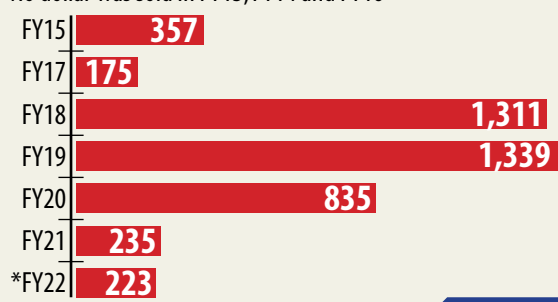
Tourists have started returning to the picturesque Shada Pathor in Sylhet's Companiganj upazila, bringing relief to associated income generating activities which had come to a standstill for the lockdowns. The photo was taken recently.

PHOTO: SHEIKH NASIR

### SALE OF DOLLAR BY BB

In millions of \$, \*Till Aug 25;

No dollar was sold in FY13, FY14 and FY16



SOURCE: BB

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said that remittance had become the pivotal factor in the foreign exchange market.

"The central bank will have to sell more dollars to tackle the greenback shortage if remittance keeps falling."

Remittance flow to Bangladesh declined to a five-month low of \$1.87 billion in July.

The receipts were down 28 per cent year-on-year and 4 per cent from a month ago.

READ MORE ON B3

## Tourism coming out of woods

Recovery rekindles hope for hospitality sector as establishments open at half capacity

MAHMUDUL HASAN and SUKANTA HALDER

Business of hotels and resorts in tourist destinations is rebounding slowly as the Delta Covid-19 variant and dengue have turned customers very cautious over whether they would go on holidays.

However, some holidaymakers are thronging beach cities, hill tracts and other

tourist attractions after months of being limited to their homes for strict lockdowns since the beginning of March.

On August 19, the government allowed all tourist spots, community centres, resorts and recreation centres to reopen, on condition they run at 50 per cent capacity with all health safety protocols in place.

After the reopening, Cox's Bazar, the top holiday spot with about 470 hotels and motels and 2,000 food outlets, is drawing some guests.

Of the 200 rooms at the Ocean Paradise Hotel and Resort, 100 has been opened, according to Chairman MN Karim.

"Things are improving slowly. Business in the weekend is good," he said

"On a regular day, there are only 25 to 30 rooms occupied with guests. When it's Friday and Saturday, it crosses 50," said Karim. According to Rashed Mahmud, managing director of Grace Cox Smart Hotel, they opened 36 rooms out of the 72 they had for guests and all were getting booked on the weekends.

"However, other than Friday and Saturday, the number of bookings fall substantially," he said.

He said to run a property at 50 per cent capacity costs the same as in full capacity.

"Since buses can operate in full capacity, I think we should be allowed to open all of our rooms as they are separate. With maintaining health guidelines, we are confident to operate fully," he said.

Asked about the recent government stimulus package, he said, "Last week we contacted the bank but they said they

haven't received the instruction on how this stimulus package would be disbursed."

Bangladesh Bank last month declared a new Tk 1,000 crore stimulus package for hotels, motels and theme parks suffering for the ongoing business slowdown amid the coronavirus pandemic.

The owners of residential hotels and theme parks will be able to get funds from the scheme at 4 per cent interest. Banks, however, will enjoy an 8 per cent interest as the government will provide a subsidy of 4 per cent.

Abdul Kaium Chowdhury, managing director of Hotel The Cox Today, said banks were not cooperating properly.

"The way banks should deal with us, they are not doing that. We still are not getting anything from them," said Chowdhury, who is also a top leader of Cox's Bazar Hotel-Motel Owners Association.

READ MORE ON B3

## Import duty evasion drops as fine doubles

MOHAMMAD SUMAN, Cig

Import-related irregularities have gone down significantly after the National Board of Revenue (NBR) doubled the minimum penalty for evading duties, helping the government earn more in taxes.

Customs officials say the doubling of fines increased compliance among the traders to declare the names of the accurate products and prices.

The change helped the Chattogram Custom House (CHC) generate 23.23 per cent higher revenue at Tk 51,577 crore in fiscal 2020-21 versus Tk 41,854 crore a year earlier. In June 2020, the NBR fixed the minimum fine for a false declaration that is twice the amount of duty dodged. The penalty could be as high as four times the amount owed, depending on the extent of the irregularities.

Earlier, there was no minimum fine.

The Audit, Investigation and Research section of the CHC filed 2,707 cases and collected Tk 42.95 crore in penalties in 2019-20. The collection rose to Tk 81.83 crore in the last fiscal year, but the number of cases declined 31 per cent to 1,880.

Customs sources say since there was no minimum fine, unscrupulous importers had gotten away with what could be considered a slap on the wrist for their actions over the past 50 years.



As the government amended the Customs Act 1989 to fix the minimum and maximum fines, import duty-related irregularities have gone down, putting a positive impact on revenue collection.

RAJIB RAIHAN

Between July 2015 and December 2019, some 6,110 consignments were found to have been misquoted, and the importers were duly fined, showed data from the Custom House.

The authorities collected Tk 655 crore

in evaded tax during the period. But the importers were slapped a fine of Tk 260 crore for resorting to irregularities, which was 36 per cent of the undeclared revenue.

CHC Commissioner M Fakhru Alam said: "Irregularities have gone down

because of the imposition of the minimum fine and strict implementation."

Before the minimum fine was introduced, the tendency to commit irregularities was moving upwards among dishonest traders due to nominal fines. Many customs officials were also misusing it, according to customs sources.

The situation led the government to amend the Customs Act 1989 in 2020 to fix the minimum and maximum fines. As a result, irregularities have decreased in all customs stations and have had a positive impact on revenue collection.

Azizur Rahman, commissioner of the Custom House, Benapole, said there was a growing tendency among traders to make accurate disclosures thanks to the increased fine. Altaf Hossain, general secretary of the Clearing and Forwarding Agents Association, a platform of the agents that receive imported goods on behalf of importers, said: "The importers and we have no objection to the provision of the fines if anyone intentionally gives false information to evade taxes."

"However, we object if there is an unintentional mistake or no intention of revenue evasion. In many cases, it is resolved, but in some cases, the fine doubles. We have requested the customs authorities to consider it."

READ MORE ON B3

## Using mortgage to build, own a property

MD ABU TALHA SARKER

Building homes or buying other properties require a large amount of funds. But there are many people who can't afford to pay the entire cost out of their pockets.

One financial tool holds the key to helping people get rid of the financial crunch: mortgage.

The financial tool is a loan used to buy homes and other real estate products. The property itself serves as collateral for the loan. The property stays in possession of the lender until the loan is repaid in full.

If the borrower can't pay back the loans, the lender will have the right to seize it and sell it through auctions.

Normally banks and non-bank financial institutions (NBFIs) offer mortgages. There are some cooperative banks that lend using the financial tool.

Mortgages can be secured on moveable property or immovable property. Cars, ships, and boats can be mortgaged, said Md Kyser Hamid, managing director of Bangladesh Finance, a non-bank financial institution (NBFi).

READ MORE ON B3

## Evaly owes Tk 311cr to over 2 lakh customers

Informing commerce ministry

STAR BUSINESS REPORT

Evaly has nearly Tk 311 crore liabilities to more than two lakh customers, according to the submission of the beleaguered e-commerce platform to the commerce ministry yesterday.

The sum is 45 per cent higher than the Bangladesh Bank found in a probe earlier.

The digital commerce firm also said its 207,741 customers were yet to get delivery of the products.



The disclosure by the company came a week after it said, in another submission to the ministry, that its liabilities to customers and merchants stood at a combined Tk 543 crore as of the middle of July.

READ MORE ON B3

## Eorange sued for evading VAT

STAR BUSINESS REPORT

The VAT intelligence directorate has filed a case against online shopping platform Eorange.shop alleging value-added tax (VAT) evasion.

The case was filed under the VAT and supplementary duty act yesterday, according to a statement of the VAT Audit, Intelligence & Investigation Directorate under the National Board of Revenue (NBR).

On June 8, a team from the directorate conducted a drive at the Gulshan office of Eorange.shop in Dhaka and found evidence of it not paying VAT amounting to Tk 13 lakh, it said.

The company bought products or services worth Tk 245.75 crore and earned a commission of Tk 3.88 crore by selling those at Tk 249.63 crore, read the statement.



Eorange.shop was supposed to pay Tk 19.39 lakh in VAT at the rate of 5 per cent on the commission but it hid the actual sales information and paid only Tk 6.23 lakh, it said.

READ MORE ON B3

## e-CAB suspends membership of 4 companies

STAR BUSINESS REPORT

The e-Commerce Association of Bangladesh (e-CAB) recently suspended memberships of four e-commerce firms for failing to provide satisfactory responses to customer complaints.

The companies are: 24tk, Greenbangla, Excellent Big Bazar and Eorange.shop, e-CAB said in a statement issued yesterday.

Earlier, the association of e-commerce platforms sent show-cause notices to 16 companies, asking them to clear any confusion regarding



e-Commerce Association of Bangladesh

a number of unresolved complaints from buyers and sellers as well as warnings and notices sent by the e-CAB itself.

These complaints include embezzlement, non-compliance with Digital Commerce Management Guidelines 2021, and running their

READ MORE ON B3