



**Mastercard yesterday announced the top users of its financial services in 16 categories from among partner banks, financial institutions and merchants organising "Mastercard Excellence Award 2021- Next and Beyond" at a hotel in Dhaka to mark 30 years of its operations in Bangladesh and 50 years of Bangladesh's independence. MA Mannan, planning minister, Md Khurshid Alam, executive director of Bangladesh Bank, Helen LaFave, chargé d'affaires at the US embassy in Dhaka, and Syed Mohammad Kamal, country manager of Mastercard, were present.**

PHOTO: COLLECTED

## Japan looks to accept more foreigners in key policy shift

REUTERS, Tokyo

In a major shift for a country long closed to immigrants, Japan is looking to allow foreigners in certain blue-collar jobs to stay indefinitely starting as early as the 2022 fiscal year, a justice ministry official said on Thursday.

Under a law that took effect in 2019, a category of "specified skilled workers" in 14 sectors such as farming, nursing care and sanitation have been granted visas but stays have been limited to five years and without family members for workers in all but the construction and shipbuilding sectors.

Companies had cited those restrictions among reasons they were hesitant to hire such help, and the government had been looking to ease those restrictions in the other fields.

If the revision takes effect, such workers - many from Vietnam and China - would be allowed to renew their visas indefinitely and bring their families with them.

Top government spokesman Hirokazu Matsuno stressed, however, that any such change would not mean automatic permanent residency, which would require a separate application process.

## Bangladesh should negotiate duty benefit extension

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market access facilities as duty facilities would not be available forever.

In a virtual keynote presentation, he said the country needs to think beyond the LDC graduation and duty facilities for other ways of continuing policy support and subsidies in fisheries, such as holding negotiations with major trading partners.

Rahman said China has been continuing to provide duty facilities to Samoa even after the latter's graduation while India has been doing the same for the Maldives.

Bangladesh's major trading partners are China, India and Canada and there is a scope to seek continuation of duty facility even after the graduation so that the country's export business could continue to grow, Rahman said.

Rules based trade facilities under the WTO should be in place for the graduating LDCs and it should be an agenda in the MC 12, he said.

Bangladesh should also focus on negotiations on how to be competitive after 2026 and 2029 facing 11 per cent to 12 per cent duty on exportable goods, he said.

Some other issues like formation of a graduation support fund and how to support the small farmers should also be focused in the negotiation, added Rahman.

Bringing together the three important issues of trade, investment and transport under regional connectivity can play a very vital role in flourishing trade, he said.

For instance, China imports \$2,800 billion-worth of goods in a year and that less than \$1 billion from Bangladesh. Similarly, India imports goods worth \$450 billion in a year and that of only \$1.2 billion from Bangladesh, Rahman said.

Bangladesh should also look for joining regional free trade agreements (FTA) such as Regional Comprehensive Economic Partnership Agreement (RCEP) so that business grows after the graduation,

Rahman said.

Hafizur Rahman, director general of the WTO Cell under the commerce ministry, said the main target of negotiations was to prolong the trade benefits after the graduation.

The continuation of fisheries subsidies is almost at the final stage, as it is badly needed for Bangladesh while more than 4 million people are dependent on fishing in the country, he said.

He said Bangladesh in December last year already sought 12 years' extension of trade benefits alongside for other LDCs at the WTO.

"We should take the advantage of the LDC status for as many years as possible but at the same time we want graduation," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

He, however, said Bangladesh was already capable of competing with other countries for its strength in backward linkage in garment industry.

Nazneen Ahmed, Bangladesh country economist of United Nations Development Programme, said already seven sub-committees have been working on enabling a smooth graduation.

The market access sub-committee, WTO and intellectual property rights-bodies and country branding sub-committees need to also work with the help of different UN bodies, she said.

Syed Manzur Elahi, treasurer of the CPD Board of Trustees, a former caretaker government adviser and chairman of Apex Group, moderated the dialogue with Rehman Sobhan, chairman of the CPD, in the chair.

Khondaker Golam Moazzem, research director of the CPD, Mostafa Abid Khan, former member of the Bangladesh Trade and Tariff Commission, and Shadhan Kumar Das, programme co-ordinator of the FES Bangladesh office, also spoke.

## Taka to weaken against dollar: Fitch

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Elevated global inflation and more hawkish stances by major global central banks has led to weakness amongst emerging market currencies and US dollar strength, it said.

"However, we also believe the Bangladesh Bank will continue to intervene to ensure Bangladesh maintains its export competitiveness, while not fuelling import inflation," it added.

The BB has continued to grow the foreign exchange reserve, which stood at \$46.45 billion in October, up 13.3 per cent year-on-year, it said.

"The accumulation of reserves has helped offset taka depreciatory pressures, but we note that since end-August, the reserves have fallen 3.3 per cent, despite the taka depreciating," it said.

This likely reflects the BB's efforts to manage the depreciation of the taka and Fitch Solutions expects further intervention to offset exchange rate volatility and potential US dollar strength over the coming months.

The Fitch thinks that the BB would look to contain taka depreciation to curb import prices and the resultant inflationary pressures. Inflation increased 5.6 per cent year-on-year in June whereas it was 5 per cent in January this year.

Spikes in commodity prices and disruptions to supply chains have added to import prices. In particular, rising energy costs will put upward pressure on price growth, said Fitch Solutions.

## Amazon bans Visa cards in UK

REUTERS

Amazon.com Inc will stop accepting Visa credit cards issued in the United Kingdom from next year because of high transaction fees, the e-commerce giant said on Wednesday, escalating its fight with the credit card company.

Separately, Amazon confirmed it was in talks with several payment networks including Mastercard Inc, American Express Co and Visa as part of its "standard process" for reviewing its US co-branded credit card.

Bloomberg earlier on Wednesday reported that Amazon was looking to move its co-branded credit card from Visa to Mastercard.

In recent months, Amazon has introduced surcharges on customers using Visa credit cards in Singapore and Australia, citing high fees.

Amazon said the UK decision take will take effect on January 19, 2022. In a statement, it said such charges should be "going down over time with technological advancements, but instead they continue to stay high or even rise."

Shares of Visa closed 4.7 per cent lower on Wednesday and shares of rival Mastercard dropped 2.8 per cent.

Amazon shares rose 0.2 per cent. American Express shares closed 0.7 per cent lower.

Visa last month began charging 1.5 per cent of the transaction value for credit card payments made online or over the phone between the UK and EU, and 1.15 per cent for debit card transactions, up from 0.3 per cent and 0.2 per cent, respectively.

The British Retail Consortium said

other retailers in the United Kingdom faced higher charges for cross-border payments, following Britain's departure from the European Union.

Historically, retailers have accepted Visa's charges as the cost of access to its huge network of card users, analysts said, but that could be changing.

The move marks an "important turning point in the payments industry," said Laura Hoy, equity analyst at Hargreaves Lansdown, adding Amazon may hope to drive more customers to its own payments system.

"Ultimately, we think Amazon has the edge in this game of chicken - whether customers adopt its own payment system or Visa gives in and lowers its fees, either is a win for the retail giant," Hoy said.

## Remittance to lose steam

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2020, according to the United Nations High Commissioner for Refugees. The majority are nationals of Sudan (17 per cent), Mali (11 per cent), and Bangladesh (11 per cent).

Malaysia has repatriated nearly 90,000 undocumented migrant workers to Bangladesh since November 2020 under an amnesty programme to either legalise or send such workers home.

Around 40,000 Bangladeshis who came home on vacation could not return this year, said the WB.

The GCC countries will require more skilled workers, but are likely to require fewer lower-skilled foreign workers in the future. As at least 50 per cent of Bangladesh's 5 million migrants in the GCC countries are less-skilled, the benefits of this win-win retooling strategy will be huge for the migrants and the government alike, said the WB.

Presently, the average monthly remittance of a Bangladeshi migrant who performs manual work is \$203 compared to \$276 for a Pakistani, \$396 for an Indian, \$564 for a Filipino, and \$533 for a Chinese.

"The hike in remittances from more skilled Bangladeshi migrants could be a windfall for Bangladesh and its migrants," said the report.

Migrants continue to pay exorbitant amounts to get jobs abroad, the report said, adding newly released data covering the 2019-20 pre-pandemic period shows that Bangladeshi workers in Saudi Arabia paid the equivalent of 20 months of their foreign earnings, or around \$5,000.

Remittance is an important pillar of the low-income countries and the dominant source of foreign exchange.

The significance of remittances ranged from about 13 per cent of gross domestic product for Pakistan to 6-8 per cent for Bangladesh and Sri Lanka, according to the WB.

The report says remittances to South Asia likely grew around 8 per cent to \$159 billion in 2021. Higher oil prices aided economic recovery and drove the spike in remittances from the GCC countries, which employ over half of South Asia's migrants.

South Asia has the lowest average costs of any region in the world at 4.6 per cent. But sending money to South Asia through official channels is expensive compared with informal channels that remain popular.

"Cost-reducing policies would create a win-win situation welcomed by migrants and South Asian governments alike," said the WB.

## File returns timely, avoid penalty

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And in case anyone fails to apply for time, the person will face higher scrutiny by taxmen: returns will go through a hearing at the tax office before assessment.

This will require taxpayers to visit tax offices several times and face associated hassles, he said.

A senior NBR official seeking to remain unnamed, said a good number of taxpayers can avail an opportunity of filing their income tax returns online from this year.

As per rules, all TIN holders are required to file tax returns irrespective of their income status.

"We have found that nearly 40 lakh TIN holders will not need to pay any tax as they do not have taxable income. They can file their returns online easily," he said.

"The job can be done through a few clicks and taxpayers do not need to visit tax offices," he added.

The TIN holders will only need to sign up with their registered mobiles for filing returns. He said online filing would be convenient for taxpayers who do not face tax at source.

Online returns submissions will enable

taxpayers to download acknowledgement receipts any time throughout the year, he said, adding that taxpayers would be able to pay tax online through the newly developed system.

Public sector employees are also expected to find the system to be easier for them when filing returns this year, added the official.

Taxpayers will not need to visit tax offices for these documents, he added.

Jasim Uddin Rasel, who follows tax matters, said submission of tax returns was a prerequisite for avoiding penalties.

"If any person fails to file returns without a reasonable cause, he shall be guilty of an offence punishable with imprisonment for a term up to one year, or with fine, or with both," he said citing tax rules.

He said in case of a new individual whose taxes had not been previously assessed, the penalty faced may go up to Tk 5,000.

But for taxpayers whose taxes and incomes were assessed previously, they may be required to pay a penalty of 50 per cent of the tax payable on the last assessed income or Tk 1,000, whichever is higher, said Rasel.

## BTRC moves to make 4G internet faster

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MA Hakim, president of the Internet Service Providers Association of Bangladesh (ISPAB), says the BTRC has discussed with the association about raising the benchmark on broadband internet.

"We have already informed the commission that it will take two years for the ISP industry to implement the new benchmark."

"This is because national-level ISPs are yet to expand their footprint up to the union level due to the high costs of transmissions."

Hakim said ISPs were now working to implement the uniform internet rate at the customer level across the country with a view to lifting the country's broadband internet penetration to 30 per cent by March next year and 60 per cent by 2023.

Currently, the penetration rate is 8 per cent.

## Weavers in a tight spot for rising production costs

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About 48 per cent of the clothes produced by such looms come from Sirajganj and Pabna, the biggest handloom weaving hub in Bangladesh.

The coronavirus outbreak has already taken a massive toll on weavers but the situation could deteriorate further as they will likely continue to face losses due to rising production costs.

"More than six lakh looms once existed in Pabna and Sirajganj but now, there are just 1.8 lakh to two lakh active looms in the region," said Md Hyder Ali, vice president of the Bangladesh Handloom and Power Loom Owners Association.

So far, about 60 per cent to 70 per cent of these factories have shut down while the rest are on the verge of collapse due to continuous loss.

"This massive roadblock for the industry's growth was caused by an abrupt hike in raw material costs as production costs grew by more than 30 per cent, bringing losses of about 25 per cent to 30 per cent considering the current market price," Ali said.

The cotton market has become unstable amid the ongoing pandemic while syndicates of spinning mills and importers are controlling the thread market, forcing marginal weavers to suffer losses.

"So, we urge government support for the sake of keeping the traditional clothing business of the country alive," he added.

## Sporting goods sales rebound

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Traders at the markets say items used in the badminton sports are currently on the top of most buyers' lists alongside cricket kits as enthusiasts in the cities and villages alike like to play the two games as the winter sets in. In addition, many are buying footballs, volleyballs and basketballs.

Dil Mohammad Pir, proprietor of Islam Enterprise at the Maulana Bhashani National Hockey Stadium Market, says sales are picking up as expected.

"We are gradually recovering from the losses we incurred after the pandemic struck the country. I believe if sales remain good this peak season, I will be able to make up for almost half of the financial loss I suffered during the business slowdown."

He, however, says businesses will take more time to return to normalcy. Manjurul Islam Sujan, owner of Galaxy Sports at Bashundhara City Shopping Mall, echoed Pir about the business turnaround.

"With the current income, I can make ends meet by paying the shop rent and the salaries to the employees, and paying off loans."

Before Covid-19, he used to sell products worth Tk 15,000-20,000 daily, which now stands at Tk 8,000-10,000.

There are 265 shops in Gulistan's Railway Supermarket and 200 shops in the Cooperative Twin Tower Sports Market.

Traders there say orders from outside of Dhaka have had a recovery of 60 per cent compared to the normal times.

SM Sirajuddaula, president of the Cooperative Twin Tower Sports Market Traders Association, said the last one and a half years had been very bad for them.

"Now the business is good. A large part of the financial losses has been recouped. But it would take more time to make up for the losses."

Traders outside of Dhaka say the demand for badminton accessories is much higher than that of cricket goods presently.

Chattogram's MA Aziz Stadium Market said: "It's just the beginning of the season. And we hope business will be better this winter."

Rangolal Talukder, general manager of SNP in Sylhet, says they have been involved in the business for about 25 years.

"Our store was closed for four months during the lockdown. But staff salaries and floor and warehouse rents had to be paid regularly although there was no income. The business has rebounded after the lockdown was withdrawn."

Shafiqur Rahman Sajib, owner of Sajib Sport at Katakhal Police Station area of Rajshahi, said the price of sports accessories has gone up as wholesale rates surged.

In the past, he used to sell a shuttlecock for Tk 80 to Tk 100. "Now you have to buy it for Tk 120."

The appreciation of the US dollar against the taka and the exorbitant shipping cost have all pushed up the prices of sports accessories by 15-20 per cent.

Still, tournaments are being organised across the country.

For example, the Dhaka Reporters Unity, a club of reporters based in the capital, yesterday organised the final of its annual cricket tournament, where 52 media outlets took part. Because of the pandemic, the association could not hold any sporting events for its members in the last 18 months.

At least Tk 30,000 was spent alone to buy cricket bats, tennis balls, tapes, gloves, and stumps for the cricket tournament, said DRU Sports Secretary Maksudha Lisa. The association is going to hold the annual football tournament next week.

Mohammad Bacchu, owner of Khelaghor at the Pabna City Seven Star Market area in the northern district, says examinations are being held across the country at the moment. "I hope sales will accelerate when the exams are over."

MR Shamim Patwari, president of the Bangladesh Sports Accessories Merchant Manufacturers and Importers Association, says traders are in a good position at the moment in real sense.

"Business are bouncing back and this is helping them clear bank loans."



THE DAILY STAR

**Rahat Hossain, manager of AYAT Education, and Shuvashish Roy, head of business at The Daily Star, hold signed documents of a memorandum of understanding for distributing newspapers among the stakeholders of the organisation at the AYAT Education's head office in Dhaka yesterday. Akib Hasan Srabon, senior executive of circulation marketing of the newspaper, was present.**