

E-commerce's New Year resolution:

REGAIN CUSTOMER TRUST

Industry people say acquiring new customers has become difficult, call for policy support for sector's revival

MAJOR EVENTS IN

2021

- Rising complaints of non-delivery against advance payment
- Refund of Tk 3,500cr customer money faces uncertainty
- BB detects Evaly's higher liability than assets
- Top brass of Evaly, E-orange, Qcoom and Dhamaka arrested
- Crackdown on platforms that offered hefty discounts
- Alesha Mart shuts office, suspends operation



Govt's Initiatives

- Commerce ministry issues Digital Commerce Operation Guidelines, 2021
- Fixes timeframe for product delivery
- A panel formed to devise ways to refund customers' money
- Commerce ministry takes step to refund money without cases

CONTROVERSIAL COMPANIES



MAHMUDUL HASAN

Regaining customers' trust will be the major challenge for Bangladesh's e-commerce sector in this new year of 2022.

Most of the outgoing year was marred with scams and controversies, leaving thousands in uncertainty over the recovery of thousands of crores of taka.

It stalled the substantial growth achieved by the sector, which even went well over 50 per cent amidst the pandemic, over the last couple of years.

Stakeholders said widespread mistrust was now making it difficult for online platforms to acquire new customers.

People are increasingly opting for the cash on delivery option, undercutting the country's efforts to bolster digital transactions and go cashless, they said.

"Our main challenge in 2022 is to gain customers' trust," Waseem Alim, CEO of local online grocery store Chaldal, told The Daily Star.

"The failure of some platforms to honour commitments has now stalled growth significantly. So, we have to maintain our commitment

to gain the trust," he said. Commitment here refers to delivering exactly the same products shown to customers on websites, making deliveries on time and putting a stop to the malpractice of not delivering products against advance payments, he added.

The e-commerce sector went through turbulent times since the beginning of 2021.

An increasing number of



Evaly customers started filing complaints with the Directorate of National Consumers Right Protection (DNCRP), saying they were not getting products despite making payments months back.

However, the grave scenario of the sector started to surface when a Bangladesh Bank inspection, conducted at the commerce ministry's request, came to the fore

in the middle of the year.

It found Evaly's liability to customers and merchants to be manifold compared to its assets.

Afterwards, scams started to unfold one after another involving platforms E-orange, Qcoom, Dhamaka, Aladinerprodip, Sirajganj Shop, Alesha Mart, Dalal Plus, etc.

All of the platforms emulated Evaly's business model -- luring customers with hefty discounts, sometimes even more than 50 per cent, to make advance payments.

Now, thousands of customers are in uncertainty over whether they would ever get their money back.

As for platforms that had built up a good reputation over the years with sound business practices, availing growth is now an uphill battle.

"The impact of the damage that was done in 2021 in e-commerce will linger this year. If honesty, integrity and a healthy environment can be ensured in the market, the platforms will recover," said AKM Fahim Mashroor, CEO of AjkerDeal.

READ MORE ON B3

Dhamaka owner makes off with Tk 45cr

Firm owes Tk 470cr to merchants and customers: BB probe

STAR BUSINESS REPORT

Jashim Uddin Chishty, managing director of controversial e-commerce company Dhamaka Shopping, has misappropriated more than Tk 45.47 crore from the company, according to a probe of the Bangladesh Bank.

The investigation found that Chishty took away Tk 24.63 crore from the company in the name of disbursing loans to other companies, Tk 20 crore in the name of software purchase, and Tk 0.84 crore in advance.

Dhamaka Shopping, an e-commerce business of Invariant Telecom Bangladesh Ltd, a concern of Microtrade Group, is one of the e-commerce firms in Bangladesh that have failed to deliver goods to customers despite receiving advanced payments months ago.

According to the BB probe, the company received Tk 705.52 crore from customers in advance and delivered goods worth Tk 402.52 crore to them. It failed to hand over goods worth Tk 303 crore.

Merchants submitted bills worth Tk 724.57 crore to Dhamaka against delivery of goods to customers. But, Dhamaka paid Tk 557.75 crore to the merchants, meaning the online firm still owes Tk 167.49 crore to the suppliers, the BB report also said.

As a result, Dhamaka Shopping owes a total of Tk 470.49 crore to merchants and customers. The BB submitted its investigation report to the commerce ministry on Sunday.

Speaking to The Daily Star, AHM Shafiquzzaman, additional secretary of the



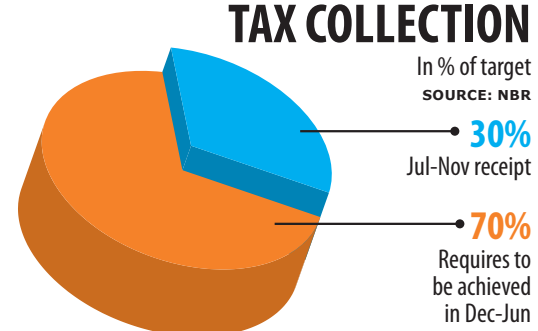
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STOCKS	DSEX ▲		CSCX ▲	
	0.42%	6,882.30	0.48%	12,105.19

COMMODITIES	Gold ▲		Oil ▲	
	\$1,807.82	(per ounce)	\$74.77	(per barrel)

CURRENCIES				
STANDARD CHARTERED BANK				
	\$ USD	€ EUR	£ GBP	¥ JPY
BUY TK	84.85	95.23	113.74	13.11
SELL TK	85.85	99.03	117.54	13.78

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.60%	▼ 0.40%	▲ 0.34%	▲ 0.57%
59,183.22	28,791.71	3,134.25	3,639.78



Tax receipts rise, still below target

STAR BUSINESS REPORT

Revenue collection grew 11 per cent year-on-year in November powered by the revival of economic activities and higher income tax payments by individuals ahead of the return submission deadline.

In November this fiscal year, taxmen collected Tk 21,104 crore, up from Tk 19,064 crore in the same month a year ago, according to data from the National Board of Revenue (NBR).

READ MORE ON B3

50 glorious years of connecting Bangladesh to the world

Our heartfelt congratulations to Biman on their 50th Anniversary.

Since 1972, Biman has proudly represented our nation across the world. Standard Chartered is delighted to have been a partner throughout this momentous journey. On achieving this auspicious milestone, we wish Biman Bangladesh Airlines more magnificent years in service.

STIMULUS Tk 500cr rolled out for those who migrated to villages

STAR BUSINESS REPORT

The Bangladesh Bank yesterday rolled out a stimulus package of Tk 500 crore to support people who migrated back to their villages due to the ongoing economic hardship.

A good number of urban people who lost their jobs at the height of the coronavirus pandemic are now leading a difficult life without any employment in villages, according to a BB notice.

This will put an adverse impact on the rural economy, which is why the BB has decided to bring the people under the stimulus package titled Refinance Scheme for “Ghore Fera” (homecoming).

The returnees will be able to get funds at six per cent interest rate from the scheme.

Banks will get funds at 0.5 per cent interest rate from the central bank, meaning that they will enjoy an interest margin of 5.5 per cent for disbursement of the loans.

Borrowers who will avail up to Tk 2 lakh will be allowed to repay the loan by two years, which includes a grace period of three months.

The repayment tenure will be three years, including a six-month grace period, if the amount of loan ranges between Tk 2 lakh and Tk 5 lakh.

Clients will not need to provide any collateral.

The tenure of the refinance scheme will end on December 31, 2024. The loan recovery, however, will continue afterwards, according to the BB document.

The BB has selected eight sectors to provide the fund. The areas include local businesses with small capital; light engineering; fisheries and livestock; cultivation of vegetables and fruits; purchase of agriculture equipment; and building and repairing houses.



Coal barges are pictured as they queue to be pulled along Mahakam river in Samarinda, east Kalimantan province, Indonesia.

PHOTO: REUTERS/FILE

Indonesia’s coal export ban rattles global market

REUTERS, Jakarta

Indonesian coal miners are seeking a quick resolution to a government coal export ban that is already causing fuel prices to rise and could disrupt the energy needs of some of the world’s biggest economies.

The world’s biggest exporter of thermal coal on Saturday banned the shipments because of concerns it could not meet its own power demand.

But the prohibition risks undermining the energy needs of global economic linchpins China, India, Japan, and South Korea, which together received 73 per cent of Indonesian coal exports in 2021, according to shiptracking data from Kpler.

Though key coal trading hubs such as Australia are closed on Monday, prices for coal to India’s west coast have already climbed by as much as 500 rupees (\$6.73) per tonne since the ban was announced, said Riya Vyas, a business analyst at iEnergy Natural Resources Limited.

But, she did not know of any exporters who had declared force majeure, which describes when companies cannot supply fuel because of events beyond their control. The ban follows a tumultuous year for global coal as prices surged amid a supply

crunch in China, the world’s biggest consumer. Prices of the most commonly exported grade of Indonesian coal rose to a record \$158 per tonne in October thought it slipped \$68 on December 29, according to data from Caixin.

Indonesia enacted the ban because low coal inventories at domestic power

plants could lead to widespread blackouts, though the government plans to reevaluate the decision on Wednesday.

Ridwan Jamaludin, the director-general of minerals and coal at the Indonesian energy ministry, said at the weekend that without the ban almost 20 power plants would have to shut.

Under its so-called Domestic Market Obligation (DMO) policy coal miners must supply 25 per cent of their annual production to state utility Perusahaan Listrik Negara (PLN) at a maximum price of \$70 per tonne, below current market

prices. The Indonesian Coal Mining Association (ICMA) met trade ministry officials during the weekend to thrash out a solution, ICMA Chairman Pandu Sjahrir said on Monday.

“The main objective now is to avoid power outages. For the very short term, the solution is for ten of our biggest members to try to help with PLN’s shortage,” he said. The ICMA called for the ban to be revoked since it was “taken hastily without being discussed with business players”.

Shares of Indonesia’s coal miners fell early on Monday. Adaro Energy dropped 3.1 per cent, while Bukit Asam lost 3.3 per cent and Bumi Resources shed 2.9 per cent. However, Adaro shares later rebounded. Pandu said some miners are unable to sell to PLN since the company requires coal with a heating value of 4,200 kilocalories per kg or less, which is considered a low-grade form of the fuel.

A spokesperson for Adaro, one of Indonesia’s biggest coal miners, said that in 2021 it sold about 27 per cent of its output domestically, more than required.

Analysts expect the miners’ willingness to do whatever it takes to restore export flows would lead to a quick resolution, especially since they have abundant supply capacity.

The world’s biggest exporter of thermal coal on Saturday banned the shipments because of concerns it could not meet its own power demand

Harness trade potential with Indonesia

FBCCI chief urges govt

STAR BUSINESS REPORT

The government should take initiative to harness the potential of bilateral trade with Indonesia, said Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

He made the call in a courtesy call paid by Bangladesh Ambassador to Indonesia Air Vice Marshal Mohammad Mostafizur Rahman at the FBCCI office yesterday.

He also urged the envoy to take initiative so that Indonesia also invests in the economic zones of Bangladesh.

In the meeting, the ambassador said the Bangladeshi government is keen to be a sectoral dialogue partner of Indonesia.

As the tariff and tax structure in Indonesia is relatively simple, it will be easier for Bangladeshi exporters to capture the market, he said, adding that Indonesian entrepreneurs are interested to invest in Bangladesh through joint ventures in the pharmaceutical and SME sectors.

A delegation led by Indonesia’s industry minister or commerce minister is expected to visit Bangladesh this year to explore bilateral trade and investment prospects, said a press release of FBCCI.

Germany welcomes EU green energy plan on gas

REUTERS, Berlin

Germany on Sunday welcomed a plan by the European Union to label some natural gas energy projects as “green” investments, but stressed its opposition to a proposal to do the same for nuclear power projects.

Germany pulled the plug on three of its last six nuclear power stations on Friday as it moves towards completing a withdrawal from nuclear power that it sped up after the meltdown of a reactor in Fukushima, Japan, in 2011.

“For the German government, natural gas is an important bridging technology on the way to greenhouse gas neutrality against the background of the phase-out of nuclear energy and coal-fired power generation,” a government spokesperson said. “The government’s position on nuclear energy remains unchanged. The government remains convinced that nuclear power cannot be classified as sustainable.”

While nuclear power produces very low CO2 emissions, the European Commission sought expert advice on whether the fuel should be deemed green given the potential environmental impact of radioactive waste disposal.

A draft of the Commission proposal, seen by Reuters on Saturday, would label nuclear power plant investments as green if the project has a plan, funds and a site to safely dispose of radioactive waste. To be deemed green, new nuclear plants must receive construction permits before 2045.



Zafar Alam, managing director of Social Islami Bank Ltd, virtually inaugurates four sub-branches at Baburhat in Chandpur, Trishal in Mymensingh, Moilaputa in Khulna, and Horina Pipulbaria Bazar in Sirajganj, recently. Md Tajul Islam and Abu Reza Md Yeahia, additional managing directors of the bank, Abu Naser Chowdhury, Md Sirajul Hoque and Md Shamsul Hoque, deputy managing directors, and Abdul Hannan Khan, company secretary, were present.

PHOTO: SIBL

Challenges facing banks as pandemic persists

FROM PAGE B4

The current account deficit may widen in the aftermath of remittance inflow fall.

The market was experiencing excess liquidity till like August or September and accordingly, the rates on fixed deposit nosedived (even to a level of 2 per cent), especially at most private commercial banks.

However, we have seen the BB coming up with circulars in August to give rates not below the inflation rate on fixed deposits of individuals and retirement funds.

The central bank also revived the Bangladesh Bill to mop up excess liquidity. As remittance got slowed down, the BB also required to sell USD in the market, which has helped mopping up some

liquidity from the market.

New national savings certificate regulation discouraged the fresh sale, forcing the government to go for aggressive bank borrowing as revenue collection was not getting to the targeted level. It looks like borrowing would significantly exceed the limit set for the fiscal year of 2021-22.

The revenue shortfall could also be for the fact that businesses possibly are yet to get to full momentum. The high government borrowing is poised to aggravate the already tight liquidity conditions, which will ultimately hit the private sector. It would be an impediment to maintaining the lending rate cap. We have also seen the yield on Treasury bills and bonds showing

upward trend.

Customers’ demands and requirements have shifted to adaptation of digital products and services. Hence, banks’ survival will be at risk if they fail to cope with these quick changes. Banks should focus on making rationalised profits after keeping adequate risks buffers.

Inflationary pressure is likely to impact common people. The government’s prudence in managing the macro-economy will play a critical role. Regulatory consistency is another area where the regulators should focus in future.

It seems 2022 will be even more challenging in the pandemic era. Omicron, the new Covid-19 variant, started to show a grisly face, spreading all over the world quickly. France could

soon have 100,000 cases per day. The World Health Organisation flagged this situation, saying “another storm is coming”.

In such a looming situation, payment holiday may get stretched to 2022. However, the 2 per cent extra provision requirement could put pressure on the default-burdened banks struggling with provision shortfall. Asset quality may deteriorate in the post-Covid situation when the policy relaxations will not be in place.

Since the exact extent and trajectory of Covid-19 is still uncertain, banks should devise forward-looking strategies to cope with this new normal situation.

The author is the managing director of Mutual Trust Bank.

Bitcoin faces uncertain 2022

AFP, London

The price of bitcoin hit record highs in 2021 thanks to support from traditional finance, but cryptocurrency specialists are struggling to predict next year’s outcome for the volatile sector.

Having more than trebled in value to \$60,000 between December 2020 and April, bitcoin has lost some shine to trade at under \$50,000 heading into the new year.

“The current choppy and directionless price action with a possibility of further pressure to the downside has introduced a lot of uncertainty to the digital asset market,” noted Loukas Lagoudis, executive director at cryptocurrency investment fund ARK36.

He added, however, that “sustained adoption of digital assets by institutional investors and their further integration into the legacy financial systems will be the main drivers of growth of the crypto space” during 2022. Bitcoin’s rise in 2021 coincided with Wall Street’s growing appetite for cryptocurrency.

The record high in April occurred with the stock market debut of cryptocurrency exchange Coinbase.

October’s peak above \$66,000 followed the launch of a bitcoin futures exchange-traded fund on New York Stock Exchange.



PHOTO: ISPAHANI

Mirza Salman Ispahani, chairman of Ispahani Group, and Sufi Mizanur Rahman, chairman of PHP Group, release balloons to inaugurate a new academic building of Ispahani Public School and College on the institute premises in Chattogram on Sunday. The building was named after Mirza Mehedi Ispahani. Shereen Ispahani, director of Chattogram Grammar School, was the designer and architect of the building. Mirza Shakir Ispahani, managing director of Ispahani Group, was present.

Only 37pc taxpayers file returns

Deadline ends

SOHEL PARVEZ

Only 37 per cent of 62.77 lakh registered taxpayers filed income tax returns until January 2, the last day for filing income and wealth statements by individuals, according to the National Board of Revenue (NBR).

In addition, 3.62 lakh taxpayers applied to the tax offices seeking more time to furnish their tax returns for the income year 2021-22, said a senior NBR official.

Officials said nearly 23 lakh taxpayers submitted returns since July 1.

This was 7 per cent higher than the 21.5 lakh who submitted returns until December 31, 2020, the previous year's last date for returns submission.

However, tax payments with returns declined 18 per cent year-on-year to Tk 3,290 crore as of the final day of submission of returns from Tk 4,010 crore a year ago, according to the NBR.

In the face of the low rate of submission of tax returns, the NBR extended the deadline for taxpayers to file annual income, expenditure and wealth statements without penalty from November 30 to December 31.

As December 31 was the weekly holiday of Friday, the NBR received returns until January 2 without penalty. Yet the ratio of return submission out of the total taxpayer identification number holders was lower this year than last year's 42 per cent.

The NBR rules stipulate that except for certain cases when TIN was waived just for a credit card or to sell land, TIN holders will have to file tax returns.

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

As the deadline has expired, taxpayers will now be required to pay a fine during filing returns for the income year 2021-22.



Fishermen prepare their nets at Fisheries Ghat in Chattogram yesterday to make their catch from the Bay of Bengal. Livelihoods of about 1.8 crore people involved in the fisheries and aquaculture sector in Bangladesh have been affected by the Covid-19 pandemic, according to a study published in the United Kingdom-based journal Marine Policy in the middle of last year. It said the pandemic had hurt the earnings of 85 per cent of fishers.

PHOTO: RAJIB RAIHAN

Stocks spurred by export surge

Key index on a three-day winning streak

STAR BUSINESS REPORT

The Dhaka stock index has edged up as investors were in a buying spree spurred by growing export earnings of the country.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 29 points, or 0.42 per cent, to 6,882 yesterday. This was the third day of a continuous rise amounting to 2 per cent or 151 points.

Investors' confidence grew with news of higher export earnings last month, said a top official of an asset management company.

December's export earnings were 48.27 per cent higher year-on-year as exporters raked in \$4.9 billion.

It was \$3.3 billion in the same month in 2020, according to data from the Export Promotion Bureau.

In 2021 overall exports made a 32 per cent year-on-year gain to \$44.22 billion from \$33.6 billion in 2020.

It gives a clear indication of strong economic recovery amidst the new

challenges posed by the Omicron variant of the coronavirus pandemic, said the asset manager.

Exports-focused textile companies underwent a rising trend due to the higher earnings, he added.

Exports-focused textile companies underwent a rising trend due to higher earnings. Among 58 listed textile and garment companies, stocks of 46 rose, nine dropped and three remained unchanged

Among 58 listed textile and readymade garment companies, stocks of 46 rose, nine dropped and three remained unchanged, shows the DSE data.

The DS-30, the blue-chip index of the DSE, rose 15 points, or 0.60 per cent, to 2,576.

At the DSE, 217 stocks advanced, 132 fell and 28 remained the same.

Turnover of the premier bourse soared 47 per cent to Tk 1,314 crore, up from the previous day's Tk 894 crore.

Stocks of eGeneration topped the gainers' list, rising 9.98 per cent, followed by Fareast Islami Life Insurance Company, Taufika Foods and Lovello Ice-Cream, Ring Shine Textiles and RN Spinning Mills.

The Sonali Paper and Board Mills shed the most, dropping 7.49 per cent, followed by Atlas Bangladesh, Libra Infusions, Agricultural Marketing Company (Pran) and Dacca Dyeing & Manufacturing Company.

Stocks of Beximco topped the turnover list with trade worth Tk 181 crore followed by Bangladesh Shipping Corporation, Fortune Shoes, Power Grid Company of Bangladesh, and The Peninsula Chittagong.

Chittagong Stock Exchange (CSE) continued to go up. The CASPI, the main index of the CSE, soared 102 points, or 0.51 per cent, to 20,157 yesterday.

Tesla delivers almost 1m cars globally in 2021

AFP, Washington

Tesla said Sunday it delivered nearly one million vehicles in 2021, almost twice as many as in the previous year, results that were better than expected despite global supply challenges.

The US electric carmaker delivered more than 936,000 cars of all models in 2021, an increase of 87 per cent over the previous year, the company said in a statement.

Tesla had announced last January that it was aiming to increase deliveries by 50 per cent per year over several years, so Sunday's results far exceeded that goal.

The group, which recently moved its headquarters from Palo Alto, California to Austin, Texas, sold 911,208 Model 3 and Model Y vehicles as well as 24,964 vehicles of its luxury S and X models (at a price of \$90,000 and \$100,000 respectively). In the fourth quarter alone, Tesla delivered 308,600 cars.

Tesla has managed to overcome global logistics issues that have plagued the auto industry.

Its chief Elon Musk previously said he was able to get around much of the semiconductor shortage by using new chip designs and rewriting software.

Tesla got another boost in October when it received an order for 100,000 electric vehicles from the rental company Hertz, to be completed by 2022.

Troubled Evergrande suspends share trading again

AFP, Hong Kong

Embattled Chinese developer giant Evergrande announced Monday it was once again suspending trading of its shares in Hong Kong ahead of an announcement.

The country's property firms have struggled in the wake of Beijing's drive to curb excessive debt in the real estate sector as well as rampant consumer speculation. Drowning in \$300 billion in liabilities, Evergrande has struggled to repay bondholders and investors after Beijing's crackdown suddenly turned off the liquidity taps.

"At the request of the Company, trading in the shares of the Company was halted at 9:00am on 3 January 2022 pending the release by the Company of an announcement containing inside information," the group said in a short statement on the Hong Kong stock exchange.

It previously saw a period of suspended share trading back in October. The troubled developer was labelled as being in default by international ratings firms last month after it failed to repay liabilities on time.

Earlier struggles to pay suppliers and contractors due to the debt crisis led to sustained protests from homebuyers and investors at the group's Shenzhen headquarters in September.

Last week, Evergrande momentarily cheered investors by insisting it would be able to deliver tens of thousands of units this month, and pay off some debts.

E-commerce's New Year resolution

FROM PAGE B1

He said the mistrust has fuelled the use of the cash on delivery option, which now accounts for more than 90 per cent of payments, shooting up from 70 per cent in the first half of 2021.

Card transactions for e-commerce purchases have also gone down, standing at less than Tk 800 crore per month in July, August, September and October whereas it was Tk 1,277 crore in June and Tk 1,183 crore in May.

The higher growth seen in 2020 and 2021 was partially artificial as many scammers had duped customers with the discount trap, said Mashroor.

According to him, Facebook-based commerce, or F-commerce, will undergo further massive expansions in the future for one key characteristic – the buyer and the seller are connecting directly and getting to know each other builds trust and reduces scopes for fraudulence.

Mashroor, one of the pioneers of the digital business who has been vocal against the discount trap, suggests that the government provide policy support for the sector's revival.

One major policy support could be the withdrawal of a 5 per cent VAT on online purchases.

According to his calculation, about Tk 100 is payable in the form of advance income tax, purchase VAT and another

VAT on logistic service expenditure on every Tk 1,000-worth products purchased online.

RETURNING MONEY AND REGULATORY MEASURES

Amidst the outcry of customers and criticism over state agencies' inaction, the government initiated a crackdown on the second half of the year.

It started with the arresting of E-orange owners Sonia Mahzabin and her husband in August for allegedly embezzling Tk 1,100 crore of customers.

Rapid Action Battalion arrested Mohammad Rassel, CEO of Evaly, and his wife, Shamima Nasrin, the chairman, in mid-September. In early October, Qcoom owner Ripon Mia was also held by police.

Government agencies also took some regulatory steps.

On July 4, the commerce ministry issued the Digital Commerce Operation Guidelines, 2021.

It stipulates, among other things, that if the online platform and delivery destination are within the same city, the handover must be made within five days.

The government is also set to begin registering e-commerce and F-commerce firms within a month, providing a unique number to e-commerce platforms, according to AHM Shafiquzzaman, chief of the new Digital Commerce Cell opened by the ministry.

On the return of customers' money, he said a few thousand Qcoom customers, whose advance payments were stuck with payment gateway Foster, would get their money back in January.

"We sat with Foster and Qcoom officials (last week). We found that Tk 397 crore of Qcoom customers' money is stuck with Foster," said Shafiquzzaman, also an additional commerce secretary to the ministry.

Of the amount, Tk 100 crore-worth products have already been received by customers, meaning Qcoom will get that payment, and the rest will be handed over to customers within a few weeks.

On the issue of Evaly customers, he said it would be taken care of by a body formed by the High Court.

"We will try to settle every case, but after solving one platform's problem, we will take up another."

To build up the confidence, work has been progressing over enacting a legal framework.

However, industry people believe enforcement of existing laws and proper vigilance by regulatory authorities alone would be able to prevent potential scams.

"No new law is needed as we think it would jeopardise the growth of the industry. If the DNCRP is strengthened, it will be able to prevent future fraudulence in the sector," said Mashroor.

Tax receipts rise, still below target

FROM PAGE B1

With November's receipts, total tax collection by the NBR stood at Tk 100,573 crore since July, the first month of fiscal year 2021-22, registering a 15 per cent year-on-year growth during the period.

The amount was 81 per cent of the NBR's collection target for the period and 30 per cent of the whole year's revenue collection goal of Tk 330,000 crore.

The tax collector will be required to collect Tk 229,427 crore during the remaining seven months of the fiscal year in order to hit the target.

"This is unlikely to be achieved," said Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue (CPD). The NBR would be required to increase revenue collection at a rate of 32.9 per cent for the remaining seven months of the fiscal year.

As a result, hesaid, overall revenue mobilisation and hence, the execution of the programmed budget, will continue to remain challenging in FY2022.

The NBR should focus on three areas – curbing tax evasion and illicit financial flows, operationalising pending tax reforms and

devising a plan to limit tax breaks in a phased manner.

The NBR data showed that surging imports continued to provide impetus as collection from customs tariff shot up 19 per cent year-on-year to Tk 32,866 crore in the July-November period of the current fiscal year.

Imports climbed 51 per cent in the July-October period, according to Bangladesh Bank data. Khan said both rising import demand and increased commodity prices at the global level have helped attainment of this improved growth.

Recovery of economic activities also brought a good amount of value added tax (VAT), said a senior NBR official.

Collection of the VAT, also known as consumption tax, increased 15 per cent to Tk 38,009 crore in the July-November period of fiscal year 2021-22 from the same period a year ago.

And as final day for submission of tax returns was nearing, the taxmen logged 14 per cent year-on-year growth to Tk 29,511 crore in income tax collection in the five months till November of the current fiscal year, according to the NBR data.

S Korea factory activity quickens

REUTERS, Seoul

Activity in South Korea's factories expanded at the fastest pace in three months in December but the economy struggled to gather momentum as rising global coronavirus cases and continued supply constraint weighed on production and overseas demand.

The IHS Markit purchasing managers' index (PMI) for the final month of the year rose to 51.9 from 50.9 in November, remaining above the 50 threshold that indicates expansion in activity for a 15th consecutive month.

The survey on Monday showed output continued to shrink on supply chain constraints, with firms facing semiconductor chip shortages and weak demand, though the pace was the mildest in three months.

New orders - which have the largest weighting in the PMI - grew at a faster pace as domestic demand conditions improved, offsetting sluggish overseas sales.

"Survey data showed new export orders falling for the first time since September 2020, which firms attributed to rising Covid-19 cases globally, congestion at ports and a lack of available shipping containers," said Joe Hayes, senior economist at IHS Markit.

Dhamaka owner makes off with Tk 45cr

FROM PAGE B1

commerce ministry and chief of the Digital Commerce Cell, said the ministry would review the report soon in order to determine its next course of action.

"The Bangladesh Financial Intelligence Unit and the Criminal Investigation Department (CID) may find whether the money was laundered or not by Dhamaka Shopping," he said.

In September last year, the CID filed a Tk 116.68 crore money laundering case against the company with Banani police station.

The money laundering case is under investigation, said Humayun Kabir, special superintendent of the financial crime unit of the CID.

Chishty and his family members have been absconding since July last year.

In September last year, the Rapid Action Battalion arrested Sirajul Islam Rana, chief operating officer of Dhamaka Shopping, Imtiaz Hasan Shobuj, head of the mobile fashion lifestyle category, and Ibrahim Shwapon, head of the electronics category.

CID investigators found that Invariant Telecom took permission from the Office of the Registrar of Joint Stock Companies and Firms on February 25, 2015 for importing and exporting

software, telecom systems, smartphones, IP phones and internet services equipment.

In October 2020, the company launched Dhamaka Shopping without any approval. Business activities of the platform are currently closed.

In a post on its Facebook page on December 26, Dhamaka Shopping said it would be fully operational as soon as the new government policy is released.

A central banker, speaking on condition of anonymity, told The Daily Star that those who were involved in selling motorcycles only in papers should be brought under the law.

"The beneficiaries should also be brought to justice because they have benefited a lot as well. If they face trial, it will be lot easier to uncover the truth," he said.

Dhamaka Shopping had more than two lakh registered customers, and about 11,000 vendors used to supply goods to the company, according to the BB.

The platform claimed it used to sell mobile phones, TVs, laptops, computers, refrigerators, motorcycles, groceries, watches, sunglasses, household goods, furniture and many other products before its operation is suspended.



A good crop and a rebound in sales following the improvement of the coronavirus situation have brought back smiles to the face of farmers in Gadkhali of Jashore, a flower hub. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

Gadkhali: flower hub reemerging from pandemic woes

DIPANKAR ROY, *Khulna*

As the dawn breaks, agricultural fields in Gadkhali, a remote village in the southwest district Jashore, unfold themselves with abundance of colours, calling upon nature lovers to come inside and feel the beauty of nature.

And nature lovers promptly respond. Anyone visiting the locality during this winter period would notice it easily.

Fields buzz amid presence of flower lovers since early morning and the crowd continues to grow as the day wears on.

Flowers are as far as the eye can see! From marigolds, cosmos, daisy gypsies, roses, gladioli, tuberose, gerbera, dahlias to chrysanthemums, all decorate the fields which, apart from becoming a source of celestial beauty, provide livelihoods to tens of hundreds of farmers in the region.

Every day, nearly 10,000 tourists from neighbouring districts and other parts, including Dhaka visit the locality to see eye-catching flower fields, which also offer a source of income for the locals.

The floriculture, which began couple of decades ago in this locality, is the biggest source of flowers used to celebrate social, cultural and national festivals in the country today.

Some 42 local and foreign varieties of flowers are grown commercially in 625 hectares area in 35 villages of Jashore. About 6,500 farmers and 100,000 workers are involved in floriculture here, said Badal Chandra Biswas, deputy director of the Department of Agricultural Extension in Jashore.



PHOTO: HABIBUR RAHMAN

And after the devastation caused by Covid-19 related lockdowns enforced first in March 2020 and later in the mid-2021 and the cyclone Amphan, farmers are now trying to make a turnaround as the economy is recovering following reopening from August last year.

Farmers said production and demand of flowers increased and prices of flowers were also higher this season than the previous winter. If this trend continues, many of them would be able to make up their pandemic caused losses.

The estimate of cultivation in the current fiscal year is yet available.

In the fiscal year of 2020-21, farmers in Bangladesh grew flowers on 2,264 hectares of land, down marginally from 2,298 hectares the previous year,

according to the DAE.

Jashore district accounts for one-fourth of the total cultivation area of flowers followed by Dhaka and Chattogram.

"Actually, during the lockdown, we couldn't sell any flowers. But the plants were alive," said Ismail Hossain, owner of Shishir Nursery and Cut Flower Centre at Gadkhali.

He has planted different kinds of flowers, including gerbera, cosmos, and daisy gypsies on his seven bighas of land this season and sold the flowers at higher prices on the eve of Martyred Intellectuals Day on December 14 and Victory Day on December 16.

The cyclone Amphan destroyed two of his sheds and damaged plants in the

fields. Amid the pandemic, demand for flowers fell, handing a Tk 45 lakh loss to Hossain.

He expects that sales would increase in the next two months which coincided with four biggest sales period: Pahela Falgun (the first day of spring season), Valentine's Day, International Mother Language Day, and Independence Day.

Amir Hossain, a farmer of Panisara union under Jhikargacha of Jashore, also looks to the coming sales season with the hope to recover from losses.

"This year both the weather and political situation are favourable and the farmers are most likely to make hefty profit from flower sales," said Md Monirul Islam, secretary of the Gadkhali Phulchashi and Kalyan Samiti, an association of flower growers.

He said daily sales now stand Tk 50 lakh to Tk 1 crore in the Gadkhali market.

Abdur Rahim, president of the Bangladesh Flower Society, says nearly 70 per cent of the country's demand for flowers are met from Jashore. Due to the coronavirus pandemic, there was a loss of at least Tk 300 crore of business in the Jashore region only, he said.

"We expect the seasonal flower business to be over Tk 500 crore this season. Farmers recorded nearly Tk 250 crore of sales on the eve of the Victory Day and New Year 2022," said DAE's Badal Chandra.

"Real farmers will benefit more if the marketing system is developed and the middlemen are removed," he said, adding the government was working towards this goal.

Challenges facing banks as pandemic persists

SYED MAHBUBUR RAHMAN

When we started the year, we saw Covid-19 was having a downswing. It showed upswing from the first quarter and we saw the country getting into lockdown in the last week of June. However, things started improving from the third quarter.

Loan payment relaxation has already been extended a number of times.

At the beginning of the year, the Bangladesh Bank advised that extension can be given on the basis of bank-customer relationship, depending on certain criteria. Later, it got amended twice: once up to June and later up to December subject to the fulfillment of certain conditions because of the resurgence of coronavirus caseloads.

Payment pause was given primarily to ease the debt load of the distressed borrowers suffering due to the pandemic. But the reality appeared different than thought. Along with habitual borrowers, many good borrowers are not paying on time.

Missing payment is making banks' fund management difficult and skeptical in fresh investment. We have seen customers who were willing to pay but have also declined to clear because of the forbearance.

Overall trade surged following the reopening of economic activities, both domestic and global. We saw an increase in value of import in both capital machinery and working capital category, which speaks of the fact that we are getting used to living with Covid-19.

Trade deficit widened three-fold in the first quarter of 2021 for higher import payment pressure. Overall, imports are price-driven, rather than volume-driven. Positive news is that export quickly came back on track. \$40 billion plus earnings are possible as the shipment is well above the strategic target in the first half of the current fiscal year. This optimism will prevail if the export destinations remain open for trade.

Strong remittance inflow was observed until the first half of 2021 stabilising the foreign exchange market and building strong reserves. It also helped increasing local currency liquidity as the BB was buying dollar from the market to keep the dollar-taka rate steady. However, the recent declining remittance trend coupled with rising import and deferred letters of credit payment made the US dollar costlier.

Accordingly the reverse is now happening – the BB is now selling dollars to banks. As a result, the taka liquidity is getting reduced. The greenback crisis stretched the rate differential in the formal and the curb market, another reason for decreasing remittance.

It looks like the informal channel such as hundi has resurfaced after a pause caused by Covid-19.

READ MORE ON B2

Singapore economy rebounds from recession

AFP, Singapore

Singapore's economy grew 7.2 per cent last year, rebounding from its worst recession since independence sparked by the coronavirus pandemic, government data showed Monday.

The city-state plunged into its worst economic performance in 2020 as businesses and international borders shut down, choking its trade and tourism economic lifeline.

Authorities initially imposed tough measures to restrict movement and gatherings but later shifted to a policy of living with the virus as the majority of residents got fully vaccinated. Singapore has logged a total of 280,290 cases with 829 deaths as of Sunday.

The trade ministry released advance estimates Monday showing the economy expanded by 5.9 per cent year-on-year in the fourth quarter to December.

This brought full-year economic growth to 7.2 per cent, reversing a 5.4 contraction in 2020, the country's worst since independence in 1965.

Manufacturing, a pillar of the trade-

reliant economy, surged 12.8 per cent year-on-year driven by global demand for semiconductors and semiconductor equipment, the ministry said.

Construction, a driver of domestic growth, rose 18.7 per cent for the full year.

Prime Minister Lee Hsien Loong however said in his New Year message that Singapore was not out of the woods yet.

"Entering the new year, the fight against Covid-19 is not over. The Omicron variant has brought new uncertainties," Lee said.

He added, however, that Singapore was in a better position to deal with the virus compared to two years ago as booster jabs have been rolled out and vaccination of children under 12 years is underway.

"We have also learnt to better manage the public health challenges while minimising the hit on our economy," he said.

"As we brace ourselves for the impact of Omicron, we can be quietly confident that we will cope with whatever lies ahead."

He added that the economy is expected to grow 3.0-5.0 per cent this year.



A general view of the buildings at the financial and business district of Singapore on June 28, 2021.

PHOTO: AFP/FILE