



More and more tomatoes are arriving in the market as harvesting is going on in full swing. Here, a farmer is seen harvesting the fruit from a field in the Ananda Bazar area of Halishahar in Chattogram city. The photo was taken recently.

PHOTO: RAJIB RAIHAN

ONE Bank gets new MD

STAR BUSINESS DESK

ONE Bank recently witnessed the appointment of a managing director for a three-year tenure, effective from January 16.

The appointee, Md Monzur Mofiz, had been serving as managing director (current charge), says a press release.

He started his professional career as an engineer in the Ministry of Education and then worked in Sonali Bank, AB Bank, City Bank and Dutch-Bangla Bank.

He obtained a BSc degree in civil engineering from the Bangladesh University of Engineering and Technology and an MBA from the Institute of Business Administration at the University of Dhaka.



Businesses fail to take full benefit of industrial policy: FBCCI

STAR BUSINESS REPORT

Businesses cannot avail various incentives offered in the existing industrial policy because of legal complexities, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) said yesterday.

Under the circumstance, the apex trade urged the government for creating legal provision so that entrepreneurs can enjoy the benefits given in the industrial policy, said participants at a meeting of the FBCCI standing committee on industry and industrial policy.

Coordination among ministries is vital for implementation of the industrial policy, said Mostofa Azad Chowdhury, senior vice-president of FBCCI and director-in-charge of the standing committee.

The view comes at a time when the government is going to formulate the National Industrial Policy 2021.

The services sector contributes more than 50 per cent to the economy, but the draft industrial policy does not properly address this sector, said Shamim Ahmed, chairman of the standing committee and president of the Bangladesh Plastic Goods Manufacturers and Exporters Association.

Among others, the meeting was attended by Md Abdur Razzak and Asif Ibrahim, co-chairmen of the standing committee.

Coordination among ministries is vital for the implementation of the industrial policy, says a leader of FBCCI

TINs of firms surge, but return filing sluggish

SOHEL PARVEZ

The National Board of Revenue (NBR) has seen a massive surge in registrations for Taxpayer Identification Numbers (TIN) by companies, mainly due to its increased monitoring and efforts to bring all registered firms under the tax net.

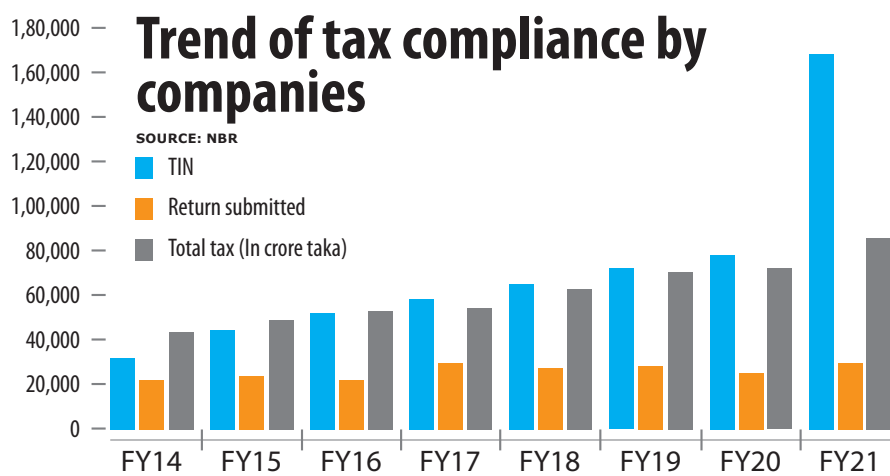
However, the spectacular growth in TIN registration has not translated into an equal growth in return submissions by companies.

The number of companies with TINs stood at 1.67 lakh by the end of the 2020-21 fiscal year (FY), up 115 per cent from 77,820 the previous year, showed NBR data.

But only 29,785 companies furnished tax returns in FY21, up 18 per cent from the year before.

Officials say the number of TINs shot up in the last fiscal year after the NBR took initiatives to bring non-compliant firms under the tax net by collecting data on companies registered with the Registrar of Joint Stock Companies and Firms (RJSC).

In August 2020, the NBR formed a task force to collect data on companies



from the RJSC and match its TINs database. Under the initiative, a number of companies were brought under the tax net while a portion of companies also got registration for various factors, including the NBR's drive.

However, compliance did not improve to that extent with officials attributing it to a lack of monitoring by field offices to ensure submission of tax returns, existence of dormant

companies and unwillingness of taxmen to verify audited financial statements submitted by companies along with their tax returns through the Document Verification System (DVS).

The NBR and the Institute of Chartered Accountants of Bangladesh launched the online system in November 2020 to plug the scope of submitting fake audit reports.

In its order, the NBR said the DVS

would generate a document verification code (DVC), which would feature in every audit report.

As per the order, tax offices are responsible to use the DVC to examine audited reports prepared after December 1, 2020.

However, insiders said the job is not properly handled by field offices but if done right, it could ultimately lead to an improvement in compliance and return filing.

Mohammed Forkan Uddin, convenor of the ICAB DVS taskforce, said the use of DVS will increase revenue collection as the scope of furnishing fake audit reports by unruly firms will stop.

The main application of DVS began from June 2021 and its impact could be seen in the tax return submission in fiscal 2021-22.

"We expect to see a major reflection in fiscal 2022-23," he added.

Contacted, a top official of the NBR said their monitoring is on to ensure return filing.

"We will strengthen our monitoring so that the rate of submission increases," the official added.

High import duty

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tax and advance income tax, is anywhere from 37 per cent to 89.32 per cent," he noted.

According to him, there was no scope to avail bonded warehouse facility as the sector was not 100 per cent export oriented.

The government provides a 15 per cent cash incentive on furniture export, but unless export duty reductions and bonded warehouse facilities came about, it can come to little effect in increasing shipments.

Rahman said Hatil has been able to enter markets in the US, Canada, Australia, Saudi Arabia, Kuwait, United Arab Emirates, Thailand, Egypt, Russia, Bhutan and India.

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Russia, Bhutan and India.

The company has 22 outlets in neighbouring India and two in Bhutan.

According to Rahman, the local furniture industry has achieved significant growth during the last 10 years.

He attributes this to rising reliability offered by furniture brands or the organised segment of manufacturing in line with growing spending capacity of consumers.

Most furniture makers in Bangladesh fall in the unorganised category, running small-scale operations and offering by-hand craftsmanship of custom designs and fits, he said.

Industry insiders believe the combined annual sale of home and office furniture by both the organised and unorganised sectors was currently at around Tk 25,000 crore.

In contrast, it was only Tk 6,700 crore in 2012

according to a European Union report.

AHM Ahsan, vice chairman and chief executive officer of the EPB, said as per the export policy there was no scope to provide bonded warehouse facility to the furniture industry as it was not an export-oriented industry.

However, he said the government was providing the cash incentive and organising trade shows abroad to establish brands and build up an image.

Acknowledging challenges of the furniture industry in enhancing exports, he said the manufacturers were also less inclined towards it as the domestic market was huge.

For this reason, the manufacturers focus on growing their shares in the domestic market instead of the international market.

Kamruzzaman Kamal, marketing director at Pran-RFL Group, which exports products under

its Regal Furniture brand, said Bangladesh has the potential to increase export of furniture, particularly to India, thanks to innovative designs and product quality.

However, he said, furniture brands in Bangladesh were dependent on import of raw materials, including wood and all accessories.

According to him, the high import duties push up prices of finished products.

For this reason, companies face acute competition in the export market, Kamal said.

Besides, furniture is a bulk item requiring high transportation costs, which was a barrier to increasing exports in the global market, he said.

Kamal also said Bangladeshi brands were yet to become familiar in the global market, which was resulting in the slow growth of exports.

Turkey's inflation seen dropping to 27pc by 2022

REUTERS, Istanbul

Already rampant inflation in Turkey will rise further in the coming months before declining to around 27 per cent by the end of the year, a Reuters poll showed on Monday, as forecasts soared after a currency crisis in 2021 sent prices rocketing.

Turkey's inflation surged to 36 per cent in December after a series of interest rate cuts by the central bank, long sought by President Tayyip Erdogan, prompted the lira to lose 44 per cent of its value against the dollar last year.

The annual consumer price index (CPI) was seen standing at 40 per cent by the end of the first quarter and 39 per cent by mid-year, according to the median estimate in the January 10-14 Reuters poll.

Inflation was seen declining to 26.8 per cent by the end of 2022, and to 15.4 per cent in 2023, in sharp contrast to government expectations that inflation would decline to single digits by mid-2023. Estimates for inflation at the end of 2022 ranged widely from 17 per cent to as high as 46 per cent.

Despite the government's recent policy of keeping interest rates low to boost exports and credit, some economists saw the central bank changing direction and hiking its policy rate in the future.

Grading eateries

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When this correspondent visited the shop on January 15, staff said they had now been upgraded to A.

Here too were two persons serving sweetmeat but without face masks on. Eight customers inside were standing in close proximity, apparently oblivious to social distancing protocols.

One staff said the BFSA had imposed several conditions for better grades.

"If we follow them, we will get A+ grade. We're trying to follow them. Now we are A grade. Hopefully we'll get A+ as well," he said.

"Our restaurant is currently undergoing

renovations. Due to this, some parts are cluttered. I hope I will be able to sort everything out in two or three days," he said.

Contacted, BFSA Chairman Abdul Kayowm Sarker said there were countries with independent audit agencies providing credible monitoring of entire processes from farm to plate.

"But we don't have such a team. We have a monitoring team which regularly sees to it that the grading is correct," he said.

He said any grade change hinges on the monitoring report. The number of monitoring team members is limited, so there is no scope to offer

grading on a massive scale, he added.

BFSA ACCEPTS COMPLAINTS VIA FACEBOOK

There is an option for consumers to file complaints on the BFSA's Facebook page (<https://www.facebook.com/bfsa.gov.bd>).

"We get few written complaints. Most complaints are placed on our Facebook page. The process of making a written complaint takes much time," said one BFSA official.

Meanwhile, the BFSA is still piloting a Nazar app, launched in 2019, for monitoring eateries in 64 districts.

US-Bangladesh economic ties

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Dunham made these comments during a virtual farewell ceremony for Earl Robert Miller, the outgoing US ambassador to Bangladesh, organised by the American Chamber of Commerce in Bangladesh (AmCham).

Members of AmCham, diplomats, exporters, former and current AmCham leaders and businessmen of both countries participated in the event.

Miller is leaving Bangladesh for the US upon completing his three-year diplomatic tenure in

the country.

Dunham went on to say that over the past five years, agricultural exports from the US to Bangladesh doubled to \$1 billion because of high demand for American agricultural goods.

Last year, the US Chamber of Commerce set up the 20th US-Bangladesh Business Council with 30 members, which is far bigger than any other such council.

Even so, the number of council members continues to grow, which indicates that US companies are interested to invest in Bangladesh, he said.

The Chevron Corporation, an American multinational energy corporation, has long been serving in Bangladesh and currently contributes about half of the total gas used in the country.

At the farewell, A Gafur, former executive director of AmCham, said although Bangladesh's exports to the US double every 10 years, it is still far below the levels of other competing countries in US markets.

For instance, Bangladesh's exports to the US were valued at \$9.4 billion between January and October last year.

However, Vietnam exported goods worth \$102.0 billion to the US at the same time.

"I deeply believe in the importance of American and Bangladesh ideals and working together," Miller said in his farewell speech.

"I would love to continue to be an ambassador for Bangladesh and not just for commercial partnership, but for the people-to-people ties," he added.

AmCham President Syed Ershad Ahmed and former presidents Aftab ul Islam, Nurul Islam and Forrest E Cookson also spoke at the event.