

Yamaha's largest showroom opens in Tejgaon

STAR BUSINESS DESK

ACI Motors Ltd, local distributor of Yamaha and a subsidiary of ACI Group, launched the largest Yamaha showroom at the Haque Center in Tejgaon, Dhaka on Tuesday.

FH Ansarey, managing director of ACI Motors, Shakib Al Hasan, Yamaha's brand ambassador, and popular vocalist Hamim Ahmed cut a cake to inaugurate the Yamaha showroom, a press release said.

All the models of Yamaha motorcycles are available in the showroom, where Yamaha musical instruments will be up for the grabs as well.

Subrata Ranjan Das, executive director of ACI Motors, was present.

MI Cement renamed Crown Cement PLC

STAR BUSINESS DESK

MI Cement Factory Ltd, a listed company, has changed its name to Crown Cement PLC as part of its business strategy as well as to bring consistency to its brand name.

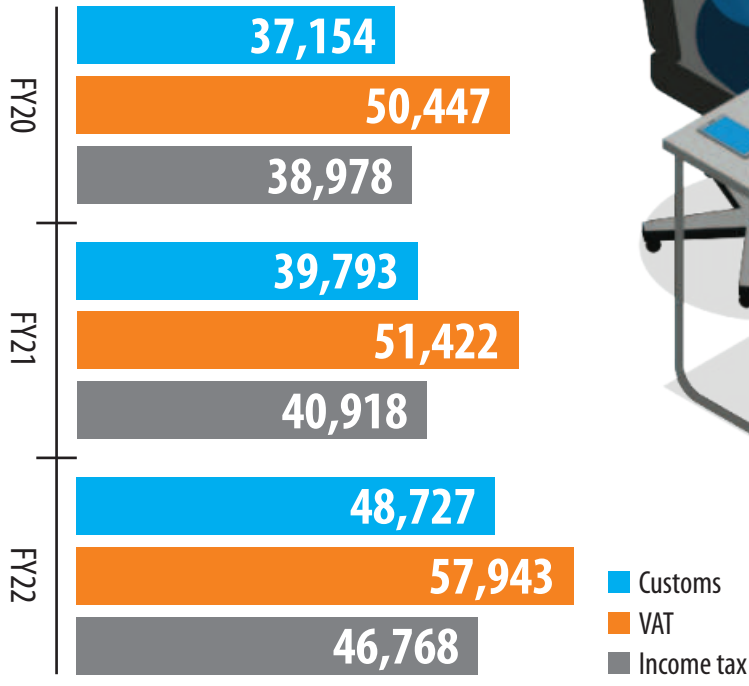
Other issues of the company will remain unchanged, a press release said.

The Dhaka Stock Exchange and the Chittagong Stock Exchange have also approved the changes in the company's name and trading code. Accordingly, the name and trading code have been changed.

MI Cement manufactures and markets its products under the brand name Crown Cement.

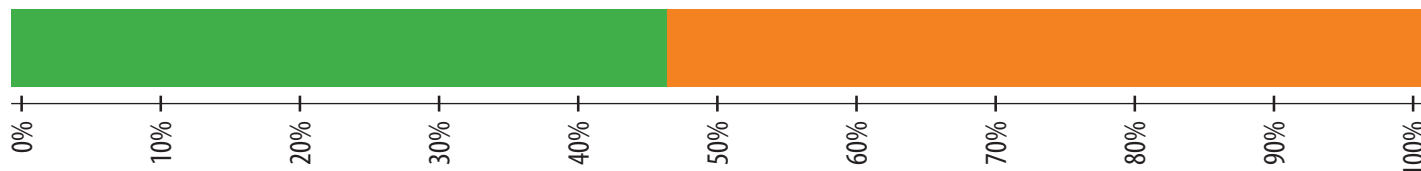
TAX COLLECTION

(Jul-Jan period) In crore taka



COLLECTION TARGET & ACHIEVEMENT

(FY2021-22) SOURCE: NBR ■ Achievement (Jul-Jan) ■ To be collected (Feb-Jun)



Surging imports keep tax collection buoyant

SOHEL PARVEZ

Tax collection continued to remain buoyant supported by increased tariff from surging imports of goods, according to provisional data of the National Board of Revenue (NBR).

In January, overall receipts grew 13 per cent year-on-year to Tk 24,349 crore from Tk 20,336 crore during the same month in fiscal 2020-21.

The increase in collection in January helped the NBR maintain more than 16 per cent growth in tax collection in the first seven months of the current fiscal year.

Overall, taxmen collected Tk 153,438 crore in revenue from July to January of fiscal 2021-22, up from Tk 132,133 crore the previous year, thanks to spiralling commodity imports that face customs tariffs.

Bangladesh paid 54 per cent more import bills in the first half of the ongoing fiscal year compared to the same period in fiscal 2020-21 with \$42.12 billion, according to Bangladesh bank.

The upward trend continued in January as import tariff soared 25 per cent to Tk 7,533 crore from Tk 6,150 crore in January 2021.

"Imports of taxable goods has increased," said a senior official of the NBR.

However, the collection and growth of value added tax (VAT) and direct tax mainly on the income of individuals and companies slowed down, making it tougher for the tax collector to reduce the gap between what can be achieved and its target.

The NBR lagged behind by Tk 19,183 crore from its target of Tk 172,621 crore in the July-January period of the current fiscal year. The latest collection was 46 per cent of the NBR's annual target of Tk 330,000 crore for fiscal year 2021-22.

This means the revenue authority will have to collect Tk 176,662 crore in the remaining five months of the fiscal year. However, this is once again unlikely happen.

"The NBR revenue target will have to be slashed like every year," said Towfiqul

Islam Khan, senior research fellow of the Centre for Policy Dialogue (CPD).

The tax administration has been failing to achieve its target since the 2012-13 fiscal year as the government has been fixing much higher goals than what the actual collection rate would allow.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh (PRI), said the NBR may collect close to Tk 300,000 crore by the end of the fiscal year considering the current growth rate.

"I thought collection would increase a lot because of higher imports this year," he said. "Now it appears that there will be a Tk 30,000 crore shortfall even though the collection target has not been increased in several years."

Mansur also said the current growth is likely to continue.

However, it is riding on the rising commodity prices in both international and domestic markets, he said while suggesting the government "must consider a reduction of tariff and tax rates for essential commodities."

Pran to procure 12,000 tonnes of tomatoes

STAR BUSINESS DESK

Pran, an agro-processor of the country and a subsidiary of Pran-RFL Group, has set a target to procure 12,000 tonnes of tomatoes for manufacturing tomato-based products, including sauce and ketchup, for the season.

The conglomerate has started collecting and pulping tomatoes at Pran Agro Ltd factories in Natore and the Barind (Varendra) Industrial Park in Rajshahi at the end of January.

It will continue till the availability of the tomatoes, a press release said.

Pran is collecting those tomatoes from its contract farmers.

The company has around 10,500 contract farmers in Rajshahi, Chapainawabganj, Bogura, Pabna, Natore, Khulna, and some other districts across the country.

"Lots of tomatoes are cultivated in Rajshahi, Chapainawabganj, Pabna, Natore, and surrounding districts from where we have started collecting and pulping tomatoes in full swing like previous years," said Sarwar Hossain, general manager of Barind Industrial Park.

Pran exports its sauce and ketchup to many countries, including India, Malaysia, the UAE, the USA, Italy and Sweden.

Berger awards aspiring young architects

STAR BUSINESS DESK

Berger Paints Bangladesh Ltd (BPBL) in collaboration with the department of architecture at Bangladesh University of Engineering and Technology (Buet) virtually organised the Berger Award Programme for students of Architecture BUET (BASAB) recently.

A total of 22 awardees from the 2016-2017 and 2017-2018 sessions were rewarded in four categories in the ceremony, a press release said.

As a part of corporate social responsibility, BPBL introduced the initiative in 2007 in collaboration with the department of architecture at BUET to assist the students of architecture by giving them a glimpse of the practical world and inspire them to go further into their studies.

"We believe this experience shall shape and groom the aspiring architects for a fulfilling professional life," said Rupali Chowdhury, managing director of BPBL.

Prof Satya Prasad Majumder, vice-chancellor of BUET, Prof Shayer Ghafur, head of the department of architecture, Catherine Daisy Gomes, professor of the same department, Md Mizanur Rahman, assistant professor, Md Mohsin Habib Chowdhury, senior general manager for sales and marketing of BPBL, AKM Sadeque Nawaj, general manager of marketing, AMM Fazlur Rashid, head channel engagement, and Shabbir Ahmad, head of project prolinks and Berger experience zone, were present.



Arif Quadri, managing director of United Commercial Bank Ltd, launches the implementation of Robotic Process Automation (RPA), an artificial intelligence-based technology, at the bank's head office in Gulshan, Dhaka on Tuesday. Syed Faridul Islam, Nabil Mustafizur Rahman and Abul Alam Ferdous, additional managing directors, N Mustafa Tarek, Md Abdullah Al Mamon, Mohammed Habibur Rahman and ATM Tahmiduzzaman, deputy managing directors, were present.

PHOTO: UNITED COMMERCIAL BANK LTD

Cut reliance

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Road Transport Authority, the land records office, and city corporations to ensure that all assets are reflected in a taxpayer's return, ICAB proposed.

ICAB said such automation will ensure that potential taxpayers are brought under the tax net as they will be encouraged to file their returns online without any hassle.

With this type of automation process, taxpayers will not face any difficulty in getting their outstanding tax credit.

Digitisation is required for all tax processes, including filing returns, tax assessments, appeals and

tribunals, ICAB said.

ICAB also proposed adding a section on skill development for VAT officers to the existing VAT Act.

VAT is a transaction based system. The VAT registered person has to submit the tax by updating the accounts on a monthly basis.

The current VAT Act also makes it mandatory for a registered person to submit an audited account statement.

For these reasons, there is a need to develop the skills of VAT officials and so, the NBR could work closely with various professional bodies to this end, the professional accounting body said.

No one immune from the impact

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days to come that may increase the cost and risk of doing international business.

The impact on the Bangladesh economy can be through disruptions in bilateral trade with Russia, rise in import payments, fall in export receipts, pressure on the exchange rate and a weakening of Russia's ability to deliver aid.

Disruptions in bilateral trade can hurt production and supplies in Bangladesh. The volume is small but nontrivial.

Total exports in FY21 were about \$550 million and imports \$480 million. Trade with Ukraine with Ukraine amounts to around \$350 million. Bangladesh mainly exports apparel items, jute, frozen foods, tea, leather, home textiles and ceramic

products to Russia and Ukraine. Imports include cereals, minerals, chemical products, plastic products, metal, machinery, and mechanical equipment.

Exports to Russia were on a rising curve. There may be an immediate impact on getting payments against items already exported to Russia and Ukraine. If two months' equivalent of export payments are stuck, we are talking about \$100 million (based on FY21 exports to Russia and Ukraine).

Disruption in import supplies can hurt domestic production and stoke domestic prices. Pressure on external balance and the exchange rate will deepen. The external current account deficit in the first half of FY21 had already reached a record high of over \$8 billion due to a steep increase in

import payments and significant deceleration in remittances.

Global commodity price increases in the aftermath of the crisis will fatten the import bill. There may not be any major impact on remittances assuming migrant workers in the war-affected part of Europe will not face any complications in money transfer. The persistence of a high current account deficit implies continued pressure on the exchange rate.

Russia is financing multiple projects, including the Rooppur nuclear power plant. There is about \$7.8 billion in Russian aid in the pipeline. Financial and payment sanctions against Russia can make disbursements from the aid pipeline very difficult not to speak of the impairment of Russia's ability to do so because of foreign

exchange shortages.

On the policy front, there are three areas where proactivity is immediately needed.

First, the relevant agencies of the government must continuously monitor the spillover effects of the sanctions on Bangladesh's international transactions. These will depend on the precise modes of application of the sanctions already in place and how they escalate further.

Second, the Bangladesh Bank must ensure the adequacy of liquid reserves to preempt undue volatility in the foreign exchange market. This means being more careful in committing reserves to longer-term uses.

Third, the finance and planning ministries will need to revisit the FY23 budget now under

preparation. They need to ascertain to what extent the energy and food price increases can be absorbed in the budget considering the hardship the poor and vulnerable households are already facing as they struggle to recover from the impact of the pandemic.

Even after the immediate, headline-based volatility subsidies, there will be many challenges to contend with. There is no immediate resolution of the Ukraine-Russia conflict on the horizon even if Russia wins the ground battle. The war is likely to continue in one form or another. We are likely to be in this environment of a multipronged and multifaceted sanctions regime for months if not longer.

The author is an economist.



SM Mahfuzur Rahman, chairman of Janata Bank Ltd (JBL), handed over a best customer award to Sohail F Rahman, chairman of Beximco Group, in the bank's best exporter award ceremony at a five-star hotel in the capital on Sunday. Salman F Rahman, vice-chairman of Beximco Group, Abdus Salam Azad, managing director of JBL, Salman Farooqui, managing director, Abdul Quddus, executive director of Multifabs Ltd, Sayed Abu Afsar, managing director of Organic Shrimps Ltd, Mostafa Zamanul Bahar, executive director of Beximco group, Anil Kumar Maheshwari, chief financial officer of Beximco Textiles, and Ali Newaz, chief financial officer of Beximco Pharma, were present.

PHOTO: JANATA BANK LTD



SM Bakhtiar Alam, chairman of Islamic Finance and Investment Ltd (IFIL), inaugurates the non-bank financial institution's 21st founding anniversary by cutting a cake at its head office in Tejgaon, Dhaka recently. Maruf Mansur, managing director (current charge) of IFIL, was present.

PHOTO: ISLAMIC FINANCE AND INVESTMENT LTD