



A vibrant array of baubles and curios to offer home interiors explosions of colour and texture, patterns and prints. Roadside vendors at Doyel Chattar in the capital have stocked up ahead of Pahela Baishakh, when the country celebrates embarking on a new Bangla calendar year. The photo was taken on Sunday. PHOTO: ANISUR RAHMAN

# Mobile operators protest ‘high’ taxes

## STAR BUSINESS REPORT

High corporate tax, minimum turnover tax and an “unfair” value added tax (VAT) rebate mechanism have been hurting the telecom industry’s profitability, said the operators yesterday.

It has been undercutting the operators’ ability to investment and eventually leaving customer unable to avail quality of services, they said.

They demanded a reduction of the corporate tax from 25 per cent and 32 per cent for the listed and non-listed companies from the current 40 per cent and 45 per cent respectively.

Mobile operators have to pay a minimum turnover tax of 2 per cent while other industries pay only 0.6 per cent, said the operators.

“It was imposed because the operators’ revenues are very high and so it is easy to collect a large amount of tax from them,” said Shahed Alam, chief corporate and regulatory officer at Robi.

“Although the revenue is high, our profit margin is very low,” he said while delivering a presentation at a policy dialogue on the telecom tax policy and

ecosystem.

The Association of Mobile Telecom Operators of Bangladesh (Amtob) and Bangladesh Internet Governance Forum (BIGF) organised the event at a hotel in the capital.

The VAT authorities are unfortunately reluctant to allow legitimate rebates on certain inputs, such as imported capital machinery such as batteries and cables, said Alam.

He said compared to neighbouring nations, the tax on Bangladesh’s mobile sector was considerably higher. On the other hand, the operators’ return on investment is “insufficient”, he said.

Similarly, the operators’ average income per user is lower while the cost of mobile voice and mobile internet is one of the lowest in the world, making it harder for the service providers to sustain business, he claimed.

About other challenges, he said smartphone device penetration was not growing significantly as devices were yet to become affordable to the masses.

Currently, only 48 per cent of the devices in use are smartphones while only 36 per cent can support 4G.

“Without adequate 4G device penetration, further improvement of coverage and quality will not be a commercially viable approach,” Alam said.

He went on to say that revenue generation from data service was not proportional to data consumption, network utilisation and investment made for catering incremental data traffic.

For example data consumption of the three private operators has grown by over 12 times since 2016, but revenue grew by only 2.7 times.

Lawmaker Hasanul Haq Inu, chairperson of the BIGF, said while the turnover tax imposed on “harmful sectors” like that of tobacco was 1 per cent, it was 2 per cent on the mobile industry.

This is ill-judged and needs to be brought down to less than 1 per cent, he said.

“In order to build a Digital Bangladesh, the VAT on the internet needs to be lifted,” he added.

“I think corporate tax should be slashed by 8 per cent to 10 per cent and

brought to 30 per cent to 35 per cent,” said Inu.

“The operator’s demand on slashing corporate tax should be taken under consideration by the government,” said Shyam Sunder Sikder, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC).

However, the operators have to ensure quality of service and end call drops, said Sikder.

Telecom Minister Mustafa Jabbar said, “Excessive taxes have been a longstanding concern for telecom operators and we were trying to convince the NBR about the negative impact of high taxes on telecoms.”

Khalilur Rahman, secretary to the posts and telecommunications division, Mohammad Moniruzzaman Jewel, director general of spectrum division of the BTRC, M Riyaaz Rasheed, acting chief executive officer of Robi, Abdus Salam, Ericsson Bangladesh’s country manager, Hossain Sadat, acting chief corporate affairs officer of Grameenphone, and Taimur Rahman, chief corporate & regulatory affairs officer of Banglalink, also spoke.

## Improve labour rights to attract more FDI

### New US envoy says

#### STAR BUSINESS REPORT

Bangladesh should improve the copyrights, supply chain efficiency, labour rights, transparency and business environment for attracting more foreign direct investment from the USA, said Peter D Haas, the newly appointed American ambassador to Bangladesh.

Hass was addressing a group of businessmen at an iftar party hosted by the American Chamber of Commerce in Bangladesh (AmCham) at Hotel Sheraton Dhaka yesterday.

With Bangladesh’s economic development over the last 51 years, the country is going to graduate to a developing country from the least developed country (LDC) category. At the same time, Bangladesh has also qualified for receiving funds from the US International Development Finance Corporation (DFC), he said.

The DFC, a development finance institution, partners with the private sector to finance solutions to the most critical challenges facing the developing world.

**Bangladesh has already improved the 16 conditions and submitted the progress reports to the US Trade Representative twice for reinstatement of the GSP but the American government is yet to reinstate the status**

But, unfortunately, Bangladesh could receive the fund from the DFC as the country was not qualified for the Generalised System of Preferences (GSP) to the US markets, an important condition to be eligible to receive the fund from the DFC, Haas also said.

Earlier, the US government suspended the GSP status for Bangladesh in June 2013 following the nation’s deadliest industrial accident in April 2013 citing the poor labour rights and poor workplace safety in the garment factories.

It also gave 16 conditions to be improved by the Bangladesh government and private sector to regain the GSP status.

Bangladesh has already improved the 16 conditions and submitted the progress reports to the US Trade Representative twice for reinstatement of the GSP but the American government is yet to reinstate the status.

Before the suspension of the GSP, Bangladesh used to export goods worth \$34 million under the GSP category.

The US government does not allow import of garment items under the GSP without the African Growth and Opportunity Act (AGOA) status.

So, Bangladesh is also not exporting the garment items to the US under the GSP and currently facing 15.62 per cent duty on export of apparel items to the US.

Dry fish, sleeping bags, tobacco items and some other non-traditional items used to be exported from Bangladesh under the GSP.

Syed Ershad Ahmed, president of AmCham, also spoke.

## Jet fuel prices hiked again

### FROM PAGE B1

said air fares would go up by about Tk 300 as a result of the price hike.

“As a result, the number of air travellers will decrease which will have a serious impact on the country’s airline industry,” Mofizur, also the managing director (MD) of Novoair.

In January last year, the lowest airfare on a domestic route was Tk 3,200. In February 2022, it climbed to Tk 4,000.

Due to the jet fuel price hike in February, the minimum fare was increased by at least Tk 150, said insiders in the aviation sector.

Leaders of Recruiting Agency Oikya Parishad (RAOP), and the Bangladesh Association of International Recruiting Agents (Baira) complained that the BPC frequently raises fuel prices solely

by citing increases in other countries, without providing any other logical argument.

They said Bangladeshi migrant workers were already suffering severely due to unreasonably high airfares to different destination countries, especially the Middle East.

“The government’s latest decision to hike the jet fuel price will add additional burdens on the remittance earners as the airlines will get an opportunity to hike the airfares even further,” said RAOP President Tipu Sultan.

Mofizur Rahman said 40 per cent to 46 percent of a carrier’s operational costs were from fuel.

Air travel will inevitably get costlier as a consequence, and it will be the passengers who will have to bear the burden at the end of the day, he

added.

Aviation expert Kazi Wahidul Alam said jet fuel in Bangladesh was costlier than in neighbouring countries and others.

“Due to the hub airport, our airlines will have to buy jet fuel from Bangladesh at a higher rate. On the contrary, foreign airlines that are operating to and from Dhaka, will buy jet fuel at a lower price from their respective countries,” he said.

“As a result, we won’t be able to compete with our global competitors,” he said.

Contacted, a top BPC official said the respective committee of the BPC has increased the price of jet fuel due to high import costs. He also said compared to Kolkata, the price of jet fuel in Bangladesh was much lower.

## Population census

### FROM PAGE B1

“Censuses are completed in countries around the world in five years or less. So why should we wait 10 years? We also need to use modern technology to complete the census in a timely manner,” he said.

“We were supposed to do the census last year but we went back and forth for some reasons,” Mannan added.

The first issue was the ongoing coronavirus pandemic while the second was that of proposals for procuring the tablet computers being turned down by the purchasing committee three times, he said.

In addition, they initially thought of completing the census manually but eventually decided to conduct it digitally, he added.

“I went to the

procurement committee again and again with maximum transparency and explained our needs to them,” he said, adding that they want to underscore the accuracy and swiftness of the census.

Prof Shamsul Alam, state minister for planning, said the transition to a digital census was a great journey for the government.

“We hope we will get the final report soon,” he added.

Mohammad Tajul Islam, director general of the BBS, was present at the event, chaired by Shahanz Arefin, secretary to statistics and information systems under the planning ministry.

The first population census in Bangladesh was conducted in 1974. Subsequently, the population and housing censuses were held again in 1981, 1991, 2001, and 2011.

## Crops damaged by sudden surge

### FROM PAGE B1

hectares of land in the haor region that comprises Sylhet, Netrokona and Kishoreganj, which contributed 16 per cent of the total boro rice produced in fiscal 2020-21 with 1.98 core tonnes.

Farmers in the haor region said most of their boro paddy will be damaged by the ongoing flood.

During the current season, farmers planted

before the middle of the Bangla month of Baishakh, or early May.

Shamim Ashraf, deputy director of the DAE in Lalmonirhat, said crops including boro paddy have been inundated due to the untimely swelling of river Teesta.

He could not specify how much land was submerged and instead said work is underway to assess the affected farmers’ situation

kilometres through various upazilas of Lalmonirhat, Kurigram, Nilphamari, Rangpur and Gaibandha.

During the dry season, over 50,000 char farmers cultivate various crops on 75,000 to 80,000 hectares of land on the Teesta bed.

In three upazilas of Sirajganj, farms on several hundreds of hectares of cropland in shoal areas have been inundated for the last few days due to the onrush water from upstream. To save their crops, many growers in the district have started harvesting half-ripened paddy.

Nasima Khatun of Chowhali upazila in Sirajganj said her family could manage to harvest one bigha of half-ripen paddy.

According to the Water Development Board of Bogura, the onrush of water from upstream in Jamuna River increased by around 1.5 meters, which caused the submerging of cropland.

Abu Sayed, a farmer in Gaibandha’s Saghata upazila, said his seven bighas of onions and four bighas of boro paddy have all been ruined.

“I could not harvest anything,” he said citing a loss of Tk 85,000.

“We never see such a sharp rise in water in Jamuna during this time, so we are a bit surprised,” he added.

## No judgment given against prime accused

### FROM PAGE B1

accused of the case.

The BB statement came a day after several Bangladeshi media outlets reported on the case dismissal in favour of Bloomberry and Eastern Hawaii based on the news published in the Philippines media.

An official of the Bangladesh Financial Intelligence Unit, which is tasked with looking after all cases related to the heist, says the central bank will appeal against

the dismissal order if its lawyers give such opinion.

He said that the central bank would continue its legal fight against the entities and individuals involved in the theft.

On February 4, 2016, hackers broke into the central bank’s system and generated 70 fake payment orders to the Federal Reserve Bank of New York amounting to \$1.94 billion.

The NY Fed’s security system flagged the payment orders but only five of them fell through and \$101

million was released.

Of the amount, \$81 million was wired to an RCBC branch in Manila, from where it disappeared into the casino industry in the Philippines. The rest \$20 million made its way to Sri Lanka.

Sri Lanka sent back the entire sum immediately after the heist became public and shook the global financial industry.

Bangladesh recouped less than \$20 million of the fund that ended up in the Philippines.

## Pahela Baishakh

### FROM PAGE B1

weighing one kilogramme at Tk 1,400-1,600 yesterday. It was Tk 900-1,200 for the fish weighing 800 grammes.

“I have sold half the amount of fish I had sold at this time in 2019. The demand is low,” said Mollah Nasir Uddin, a fish trader.

Babul Aktar, president of the Bangladesh Frozen Food Exporters Association, said traders did not stock up the fish this year since there were no celebrations in the last two years.

“Importers have not imported the fish from Myanmar because of the losses they incurred last year and as the festival will be celebrated during Ramadan.”

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said businesses going well ahead of Baishakh is a sign of economic recovery.

“Many are participating within their limited means,” he said, referring to the pressures people are facing owing to higher inflation.

the dry season rice crop on 49.09 lakh hectares of land, up nearly 3 per cent from 47.86 lakh hectares in the previous season, according to data from the Department of Agricultural Extension (DAE) and Bangladesh Bureau of Statistics (BBS).

The DAE aims to ensure production of 2.09 crore tonnes of boro rice this harvesting season.

The northwest region makes 33 per cent of the country’s boro output.

Farmers here cultivate boro paddy, onion and garlic in different low laying areas, including chars and dry riverbeds, during the dry season.

They harvest the crop

and crop damage.

Bimal Chandra Roy, a farmer of Teesta shoal in Lalmonirhat, said he hoped to harvest paddy in the middle of the month of Baishakh.

“But now we are worried about to make ends meet while also repaying the loans taken from non-government organisations,” said Majir Uddin, a farmer of Char Bogurapara in Teesta shoal. Crops on char land were submerged by water for nearly a week and although the water has receded, the damage has already been done, he added.

According to agricultural officials, the Teesta flows for 115