

Intel to expand chip operation in Vietnam

ANN/VIETNAM NEWS

Intel has confirmed they will be moving forward with their plans to expand investment in Vietnam.

The move aims to enhance Intel's existing \$1.5 billion factory in the Southeast Asian electronics manufacturing hub.

Speaking at the Vietnam-US Trade Forum last week, Ace Wilson, the chief financial officer of Intel Vietnam, said Vietnam continues to be a critical part of its global manufacturing operations as demand for semiconductors grows.

The company aims to diversify its factory strategy across multiple countries, and it has set a target of \$10-11 billion in export turnover for the current year, he said.

About 70 per cent of chip production that supports the region is expected to come from the Vietnamese factory, he added.

In June, Intel decided to invest in a production plant in Germany with a total investment capital of about \$33 billion as part

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of its efforts to expand semiconductor production in Europe.

Daniel Nguyen, vice chairman of the Economic Development and Small Business Committee and Member of the Semiconductor Committee of the Oregon House of Representatives, said Vietnam has great potential for semiconductor industry development.

The US has allocated \$240 million to support the semiconductor industry, with a particular focus on aiding US businesses investing in this field in Vietnam, he added.

In response to rumours about Intel shelving its planned investment in Vietnam, a representative of the company clarified that there was misinformation from the media.

"Intel is still committed to further expanding its investment in Vietnam," the representative said.

Vietnam is home to Intel's largest factory worldwide for assembling, packaging, and testing chips.

The country has been banking on Intel to further expand its investment, especially after the US President announced deals to support its chips industry during a visit in September.



Workers sun-dry rawhide on the premises of a tannery. Workers of the industry have long been deprived of benefits, with the wage board for tannery workers announced in 2018 having never been implemented by factory owners.

PHOTO: STAR/FILE

New wage board formed for tannery workers

But union calls for reshuffling committee as it doesn't include workers' representative

JAGARAN CHAKMA

The government recently formed a five-member wage board to fix a new minimum salary for tannery workers in Bangladesh without including a single representative from among the workers, according to industry people.

They also alleged that the last wage board, gazetted in 2018, had not been implemented.

Tannery workers supply a key raw material for the leather and leather goods industry, the country's second-highest export earner after the garments sector.

"The wage board was formed without any representative of the tannery workers," said Abul Kalam Azad, president of the Tannery Workers' Union (TWU).

The committee also includes one person who has no affiliation with the industry, he added.

Against this backdrop, Azad urged the government to reshuffle the wage board for tannery workers formed on August 1 this year, and to include a member of their union.

On February 27, 2018, the government published a gazette on the 4th wage board, under which tannery workers were entitled to a minimum salary of Tk 13,500.

Additionally, they were to be given a five percent annual increment in basic wages.

However, tannery owners did not implement this measure even though the five-year tenure has already passed, Azad added.

Now, leaders of the TWU are demanding a new minimum wage of Tk 25,000 per month for

workers.

Azad also informed that they had placed a 12-point demand to the government, which includes ensuring that factory owners comply with social and environmental safety standards.

Additionally, he alleged that factory owners are indifferent regarding occupational hazards.

"To date, neither a hospital nor medical centre has been set up for tannery workers despite long-standing demands," he said.

Workers also face layoffs and harassment tantamount to torture, Azad added.

As per data of the Bangladesh Tanners Association (BTA), there are around 200 tanneries in the country. 127 of them are based in the tannery industrial area of Savar, Dhaka.

Md Rahman, vice-chairman of the BTA, said owners could not implement the last wage board for two reasons, namely the Covid-19 pandemic and a lack of Leather Working Group (LWG) certification.

"Due to the lack of LWG certificates, we cannot get fair prices from global buyers looking to buy finished or semi-finished leather," said Rahman, who is a member of the new wage board committee.

As a result, tannery owners have to sell their products to Chinese buyers at prices that are 30 percent lower than their original value, he added.

According to Rahman, also a director of Samota Leather Complex Ltd, they now sell tanned or finished leather for \$0.80 per square foot on average, whereas they could get at least \$1.20 if they had LWG certification.

Rahman also said Bangladesh can produce about 300 million square feet of finished and semi-finished leather each year.

Of all the leather produced, 80 percent is exported due to a dearth of local manufacturers capable of effectively using the material for export products in the absence of LWG certification.

According to him, Bangladesh produces finished and semi-finished leather worth \$240 million each year.

Rahman also said the Covid-19 pandemic seriously affected their production and profits.

"So, we could not implement the wage board even though we were positive about it," he added.

Md Towfiqul Arif, an additional secretary of the labour ministry, said the minimum wage structure is usually decided through dialogue between representatives of owners and workers on the board.

"So, both owners and workers are responsible for its execution," he added.

Arif informed that if a factory owner does not follow the declared wage board, then the workers can file a complaint to the Department of Inspection for Factories and Establishments.

Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue, said it is good that initiatives were being taken to ensure a new minimum salary for tannery workers.

Moazzem, also an industrial economist, said setting a new wage board for tannery workers is important as the existing salary structure is not reasonable, especially considering the rising living costs.

Additionally, he suggested disclosing the wage board's meeting minutes to ensure transparency.

Razequzzaman Ratan, president of the Samajtantrik Sramik Front (Socialist Labour Front), said a new wage structure for tannery workers was important for three reasons: to improve their livelihood, increase the quality of production, and maintain an adequate balance in salary compared to other sectors.

According to Ratan, tannery workers are vital for the leather industry, which has significant prospects in diversifying the country's exports.

"So, it is necessary to reshuffle the wage board to involve a workers' representative," he said, adding that owners should emphasise improving their production capacities.

FILING RETURNS BY SALARIED PERSONS

It's easy if you try

JASIM UDDIN RASEL

The majority of the taxpayers are salaried people and today you will know how to prepare your tax return this year following the new tax form IT-11GA (2023).

On the first page of the return, provide basic information related to you. You will find the information from the national identification (NID) number, the taxpayer identification number (TIN) and the salary certificate. Now calculate your tax.

The first schedule of the return is applicable for salaried persons. This schedule has two parts; the first part is applicable for government employees and the second part is for private service holders.

If you are a government employee, write all the figures in the first column in the first table of the page. Write the same amount in the second column as an exemption except basic salary, festival bonus and any other kinds of bonus because these three items are taxable which shall be written in the third column and the sum of these is your taxable income.

The taxable income calculation for private service holders is easier this year compared to last year. Write all the amounts one by one per your salary certificate. Now sum up all of them and write in serial number 13 and exclude one-third of the total amount from the total salary.

But you have to remember that your maximum exempted amount in serial number 14 shall be Tk 450,000. After deducting the exempted amount, you will get the taxable income from salary which shall be written in serial 15 and this amount shall be transferred to the second page in serial number 1.

Now apply the slab-wise tax rates to calculate tax liability and write in serial 12 on the same page under the tax computation table.

The tax rebate on your investment shall be deducted from gross tax. If you have any allowable investments, then write down all of them in Schedule 5. Apply 15 percent on the total investment but it shall not exceed by 3 percent of your taxable income.

The net tax amount shall be after deducting tax rebate from gross tax. If your tax amount is less than your minimum tax, the minimum tax shall be your tax amount.

In addition, the "statement of expenses relating to lifestyle" shall be included if taxable income exceeds Tk 5 lakh and the "statement of assets, liabilities and expenses" shall be filled up if your assets exceed Tk 40 lakh, you own a motor car, has an investment in a house property or an apartment in the city corporation area, own assets outside Bangladesh, or are a shareholder director of a company. Otherwise, it is not mandatory.

All is done! Try to submit the tax return by Tax Day. Otherwise, you will lose tax rebates fully which will increase your tax significantly. Moreover, you will have to pay an interest of 4 percent on your tax.

Jasim Uddin Rasel is author of Smart Money Hacks.

US Black Friday sales rise

REUTERS

Mastercard Spendingpulse said on Saturday that US retail sales on Black Friday rose 2.5 percent year-over-year excluding automotive sales, not adjusted for inflation.

In September, Mastercard SpendingPulse, which measures in-store and online retail sales across all forms of payment, said it anticipated US retail sales, excluding automotive, to grow 3.7 percent during the holiday season, running from Nov. 1 through Dec 24.

Chinese car sales boom in Russia levels off

REUTERS, Moscow

Chinese car sales in Russia appear to have peaked as domestic production recovers after the exodus of Western automakers, data shared with Reuters showed, but recent growth in the market may stall as high import costs and interest rates begin to bite.

The figures are early indicators that Russia's car market, and China's role in it, have stabilised after nearly two years of upheaval caused by sanctions placed on Moscow and Western companies' sudden exit in the wake of the invasion of Ukraine.

But the sector, which saw an almost 60 percent slump in sales in 2022 and production sink to a post-Soviet low, is still a long way from its pre-invasion levels. Sales and output in 2023 are set to be among the lowest in the last 10 years.

Prior to the February 2022 invasion, Chinese cars accounted for less than 10 percent of the Russian market. In August this year, Chinese brands' share of sales peaked at almost 56 percent, data from analytical agency Autostat and its partner consulting company PPK showed.

That percentage has now levelled off, with Chinese brands selling around 60,000 units each month since August, corresponding to a 53 percent share in September. Sales include imported vehicles and those made inside Russia.

Chinese carmakers such as Haval, Chery and Geely are capitalising on the departure of Western players that used to dominate the market before the invasion of Ukraine, showing Moscow's increasing dependence on Beijing and growing economic ties with China as the West shuns Russia over the war.



People dine in a restaurant at a shopping mall in Beijing. The global economy is forecast to grow 2.9 percent this year, a poll showed, while China's growth is seen weakening, exacerbated by companies seeking alternative cost-efficient production destinations.

PHOTO: AFP

Global economy to slow down in 2024

Say economists

REUTERS

Some of the major banks in the world expect global economic growth to ease further in 2024, squeezed by elevated interest rates, higher energy prices and a slowdown in the world's two largest economies.

The global economy is forecast to grow 2.9 percent this year, a Reuters poll showed, with next year's growth seen slowing to 2.6 percent.

Most economists expect the global economy to avoid a recession, but have flagged possibilities of "mild recessions" in Europe and the UK.

A soft-landing for the United States is still on the cards, although uncertainty around the Federal Reserve's monetary tightening path clouds the outlook.