

TAX ACT
NBR working
to address
limitations
Says chairman
STAR BUSINESS REPORT

The new income tax law suffers from some limitations and the National Board of Revenue (NBR) is working to address those issues to make it more taxpayer-friendly, the revenue authority's chairman said yesterday.

"The law has been translated from English to Bangla so all the issues could not be noticed during this phase. We are seeing that there is a need for more fine-tuning in some areas of the new law," NBR chief Abu Hena Md Rahmatul Muneem said at a seminar.

He was speaking at an event organised by the NBR to mark "National Tax Day 2023" at its headquarters in the capital's Agargaon.

The Income Tax Act 2023, which came into effect in June this year and replaced the Income Tax Ordinance 1984, was not fully welcomed by stakeholders.

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"We consulted many stakeholders when converting the new income tax law from English to Bengali. We were trying to come up with a perfect law," Muneem said.

Many people have taxable income but they do not want to pay taxes because they are afraid to go to the tax office, he said, adding: "We need to make sure they're not scared. That is why NBR officials must have good relations with taxpayers."

Bangladesh has 94 lakh registered taxpayers but the number of return filers remains low.

As of November 29 this year, the number of return submissions stands at slightly over 23 lakhs.

Nearly 36 lakh taxpayers filed their income and expenditure statement in the fiscal year (FY) 2022-23, up 38 percent year-on-year from 25.9 lakh, NBR data showed.

Income tax collection has increased three-fold in the past 12 years, said Sams Uddin Ahmed, member for tax policy at the NBR, during his presentation.

He informed that in FY2011-12, income tax collection amounted to Tk 29,133 crore, which increased to Tk 111,792 crore in FY2022-23.

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Imports thru land ports fell 13% in FY23

Experts point to lower trade with India due to US dollar crisis



The ongoing US dollar shortage and subsequent restrictions on non-essential imports are the main reasons for reduced imports from India.

Mosammat Faizunnaheer
Deputy director of traffic at Bangladesh Land Port Authority

AT A GLANCE

- » Goods import through land ports dropped 13% last fiscal year
- » About 1.74cr tonnes of goods were imported through 15 land ports in FY23
- » Import volume was about 2cr tonnes in FY22

BANGLADESH IMPORTS FROM INDIA

Capital machinery, intermediate goods, consumer goods, yarn, cotton, and chemical products



IMPORTS DECLINED AS...



Importers face problems in opening LCs due to US dollar crisis



Govt discouraging imports of non-essential products



India has banned export of some of its products

JAGARAN CHAKMA

Imports through land ports in Bangladesh, particularly those from neighbouring India, declined by more than 13 percent year-on-year in fiscal 2022-23 due to a prevailing US dollar crisis in the country.

As per data of the Bangladesh Land Port Authority (BLPA), about 1.74 crore tonnes of goods were imported through 15 land ports across the country in the previous fiscal year (FY).

This was the steepest fall in imports through land ports in the last three fiscal years, BLPA data shows.

Of the total imports, just 1.99 lakh tonnes of goods came from Myanmar through the Teknaf land port in Cox's Bazar while India accounted for the rest.

On the other hand, exports from Bangladesh increased 6 percent year-on-year to around 13 lakh tonnes.

Burimari land port in Lalmonirhat registered the highest import volume of about 30.4 lakh tonnes that year while Benapole land port in Jashore saw the second highest with around 20.6 lakh tonnes.

Bangladesh's imports from India through land ports mainly consist of capital machinery, intermediate goods, consumer goods, yarn, cotton and chemical products.

Foodstuff, such as onion, garlic, potato and turmeric, are also imported from the neighbouring nation.

According to data of the India Brand

Equity Foundation, India is Bangladesh's biggest trading partner in the subcontinent and second biggest sourcing destination, accounting for 12 percent of its total imports.

However, the import volume edged down to \$14.22 billion in FY23 while it was \$16.15 billion previously.

Meanwhile, Bangladesh exported goods worth \$2.12 billion to India that year.

As a result, the number of goods-laden trucks arriving from India through local land ports slowed in the last fiscal year, reaching 706,345 units compared to 731,470 previously.

Mosammat Faizunnaheer, deputy director of traffic at the BLPA, said the ongoing US dollar shortage and subsequent restrictions on non-essential imports are the main reasons for reduced imports from India.

She also pointed out that another reason for reduced imports through land ports might be a decline in shipments of stone chips from India in FY23.

Abdul Matlub Ahmad, president of the India-Bangladesh Chamber of Commerce and Industry, said imports from India mainly fell for difficulties in opening letters of credit (LC) amid the US dollar crisis.

For example, businesspeople are now required to pay 100 percent margins for importing any goods.

So, small entrepreneurs are struggling to open LCs in a timely manner due to the country's lack of foreign currency, including the Indian rupee, he added.

Besides, India has banned the export of some products while Bangladesh is also discouraging imports of non-essential items.

"For these reasons, imports from India were reduced in the last fiscal year," said Ahmad, also a former president of the Federation of Bangladesh Chambers of Commerce and Industry.

ASM Raihan Kabir Rigan, proprietor of Zuhaina Enterprise in Lalmonirhat, said he has been involved in importing stone chips through Burimari land port for more than a decade.

Rigan informed that while he imported about 4,000 tonnes of stone chips each month in the past, the volume has reduced to some 1,000 tonnes at present for difficulties in opening LCs.

He alleged that banks require a 110 percent margin for opening an LC and then pay back the additional 10 percent after settling the contract.

Rigan added that banks are taking Tk 137.50 (with 100 percent margin) for each US dollar, resulting in higher import costs.

Ferdous Ara Begum, chief executive officer of Business Initiative Leading Development, said imports are being restricted to stop the decline in foreign exchange reserves and encourage import of basic supplies.

She also informed that some development projects are being filtered, resulting in a significant drop in the import of construction items.

Knowing what you don't know

MAHTAB UDDIN AHMED

A teacher once asked his students what they would do if they became a multi-millionaire. One of the students said, "I would buy a nice house, a car and travel the world." Another announced, "I would donate half of it to charity and invest the rest in business." The third student said, "I would give it all to you, teacher, because you are the source of all my knowledge." Impressed, the teacher asked, "Really? You would give me all your money?" The student, however, replied, "Of course not, teacher. I was just kidding. It was a joke, just like your knowledge."

A few years ago, I was trying to get an appointment with an important minister as a part of the lobbying effort of the organisation for which I worked. His personal assistant informed me that I am on the standby list and may have to meet him at his residence with perhaps 15 minutes' prior notice! After waiting all day, I finally received the call at around 11:00pm.

Clad in his sleeping attire, the minister welcomed me warmly in his lovely home with the living room walls lined with books. Our conversation started with his book collection, moving on to his achievements and other mundane issues while the clock ticked loudly in my ears as I waited desperately for the opportunity to mention my agenda. Midnight struck, but he went on talking as though he had just unlocked all the world's knowledge! At 1:15 am, I made a desperate attempt to veer the talks to our business, only to have him say, "Mahtab, let's discuss the official topic in the office!"

Such behaviour is called the "I know it all" syndrome, and they are found in people who are "apathetic". We have all had similar experiences, and it is useful to know when to remain silent. It is certainly wiser to remain silent when faced with someone who has the "I know it all" syndrome and has no care for his listeners. It is also a good idea to keep silent when angry or not in your normal state of mind. Most importantly, it helps immensely when one is smart enough to understand that he or she can gain more knowledge by listening rather than speaking.

Often, we don't know as much as we think we do. When put to the test, most leaders are unable to explain their jobs even though they think they understand it all. Are you finding it hard to believe? If we take the buzzwords that we use, then we will find that we cannot define them accurately. While we use them often enough, their meanings are usually not so clear if we are to define them. They cover gaps in our knowledge, serving as placeholders that polish concepts we don't fully understand.

Adopting a "learn it all" or "I don't know all" mindset is the key to being the smartest. It brings agility to learn in you. It involves embracing the discomfort of uncertainty, setting learning goals, experimenting, and reflecting on experiments. A leader must adopt this mindset. A leader can use various tools and techniques, such as observation, hypothesis testing, imagination, curiosity, past experiences, and sharing with mentors to gather evidence and draw conclusions. Knowledge can also be obtained from feedback and collaboration, self-care, and resilience which in turn helps in improving skills and performance that inspire and influence others.

Individuals, particularly leaders, who are not aware of their own ignorance are likely to be annoying, outdated, irrelevant, and unprepared for the challenges and opportunities of the future. It is important to remember, if knowledge is power, knowing what we don't is wisdom.

The author is founder and managing director of BuildCon Consultancies Ltd.

COUNTRYWIDE BLOCKADE

Containerised cargo movement 'normal': ICDs

DWAIPAYAN BARUA, Ctg

Ongoing political unrest has seemingly had very little impact so far on the movement of a majority of containerised cargo processed by private inland container depots (ICDs) either for export or which are imported through the Chattogram port.

There are 19 private ICDs located in and around the port city which handle over 92 percent of the country's exports and around 26 per cent of containerised imports coming through the port.

These ICDs, alongside two new ones, also act as a temporary storage for a huge number of empty containers.

The amount of cargo handled at the ICDs was "normal" on the first half of this month although on the first couple of days the transportation took place during the evening and night for the blockades and hartals, said the depot owners.

There were a few scattered incidents of picketing in some areas, which apparently had no significant impact, according to a number of ICD officials.

This was reflected in records of cargo transport between the ICDs and the port during the 15-day period.

A total of 23,973 TEUs (twenty-foot equivalent units) of export-laden containers

were processed, according to Bangladesh Private Inland Container Depots Association (Bicda). In October it was 49,288 TEUs, said the ICD officials.

They hope to process around the same amount of cargo by the end of this month.

In case of containerised imports, it was 8,900 TEUs in November's first half whereas 17,827 TEUs in October.

There were scattered incidents of picketing in some areas, which had no significant impact, according to ICD officials

The ICDs opted to be cautious when moving goods between their premises and the port on the first few days, said Bicda Secretary General Md Ruhul Amin Sikder.

The stance was the same for many exporters and importers from around the country when sending or taking deliveries, he said.

The situation gradually improved and there was no disruption, he added.

The same observation came from Captain Kamrul, chief operating officer of Summit Alliance Port Limited's two ICDs.



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