

Shipping Corporation's profit falls 17% in Q1

STAR BUSINESS REPORT

Bangladesh Shipping Corporation's profit declined 17 percent year-on-year to Tk 50.33 crore in the first quarter of the current fiscal year due to lower vessel fares.

The state-owned corporation made a profit of Tk 60.70 crore in the July-September quarter of 2022-23, it said in a stock exchange filing.

BSC reported consolidated earnings of Tk 3.30 per share in July-September of 2023-24, compared with Tk 3.98 a year earlier.

It said the EPS decreased as the vessel fare in the international shipping sector decreased.

Shares of the company fell 0.37 percent to Tk 107.50 on the Dhaka Stock Exchange yesterday.

The corporation earned Tk 321.79 crore from chartering its ships in 2022-23, up 9 percent year-on-year. The net profit rose to Tk 246.29 crore from Tk 225.8 crore.

Currently, BSC has seven vessels in its fleet.

Last month, the corporation said it would add 18 new ships to its fleet within a short period. All of them will be purchased with foreign assistance.

Of the ships, the purchase of four bigger vessels -- including two mother bulk carriers and two crude oil mother tankers -- at a cost of around Tk 2,500 crore has progressed as BSC has already signed a contract with a Chinese supplier.

'Some traders exploiting Indo-Bangla onion price gap'

PALLAB BHATTACHARYA, New Delhi

A small group of traders are exploiting the difference between the prices of onions markets in India and Bangladesh, a senior Indian official said yesterday.

Last week, the Indian government banned onion exports until March 2024 following the prices of the staple commodity crossing Rs 80 per kilogramme in most retail markets and hovering near Rs 60 per kg in wholesale markets.

India's Consumer Affairs Secretary Rohit Kumar Singh said in New Delhi that the export ban would not impact the farmers and a small group of traders are the ones who are exploiting the difference between the prices in Indian and Bangladesh markets.

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While the Sundarbans is normally a thriving tourist destination, the world's largest mangrove forest on the shore of the Bay of Bengal is suffering from a dearth of visitors as many have been forced to cancel trips due to political uncertainty stemming from lingering transport blockades.

PHOTO: STAR/FILE

Blockade hits tourism business in Sundarbans

DIPANKAR ROY, Khulna

Tapan Kumar Das, a resident of the Khulna city, had decided to explore the beauty of the Sundarbans with 22 others for three days from December 1 and made bookings with the tourism operation accordingly.

But the group, which comprises seven families living in the same compound in the south-western city, cancelled the trip at the last moment due to political uncertainty stemming from lingering transport blockades.

"The situation is not suitable to go on a trip. Why should anyone set out to visit the Sundarbans if their minds can't be at peace?" Das asked.

He went to the office of the tour operator at the BIWTA Ghat in the city and took back the booking money.

Many holiday-makers like them have either cancelled bookings or put their plans on making trips to the world's largest mangrove forest on the shore of the Bay of Bengal on hold. As a result, tour operators based on the Sundarbans are feeling the pinch.

Since October 31, the Bangladesh Nationalist Party (BNP) and its allies have enforced transport blockades to press home their demand for a national election under a non-partisan government.

The political action, marked by violence and torching of vehicles, has disrupted the tour plans of

holiday-makers, leading to the mass cancellation of bookings, dealing a blow to the broader tourism industry. The fallout has been even deeper for those who arrange trips to the Sundarbans, piling up losses that run into crores of taka.

In the number of customers. Shaik Abdul Kuddus, proprietor of New Rainbow Tours, told The Daily Star that there were four bookings from the last week of November to the second week of December, but they were cancelled owing to the

losses," he said.

According to an official of the Tour Operators Association of Sundarbans, many small and big companies offer tourism packages centring the forest. Currently, the platform has 50 member firms.

The operators collectively have about 70 vessels, including 20 luxurious ones. Most of the ships organise trips for passengers from Khulna to the Sundarbans.

Some ply between Dhaka and Khulna while several ships go to the Sundarbans from Mongla of Bagerhat.

Tour operators usually offer a three-day package to visit the Sundarbans. The price starts at Tk 7,500 per person while a luxury ship charges between Tk 13,000 and Tk 25,000, which includes accommodation, meals and forest tours.

The number of domestic tourists visiting the Sundarbans increased by 45 percent after the inauguration of Padma Bridge in June 2022. The number of foreign tourists has almost doubled, raising the demand for luxury cruise ships. New investments are also coming to the sector.

Data from the forest department showed, 146,190 tourists visited the Sundarbans in 2020-21. Of them, 390 were foreigners. A total of 149,415 tourists travelled in 2021-22, including 1,103 from other countries.

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Industry people warn that if the situation persists, they will have no other option but to discontinue the business.

The main season for the Sundarbans-based tourism starts in October and it runs until March, meaning tour operators have to sit idle for the rest of the year. However, the ongoing political unrest has forced most holiday-makers to stay home in order to avoid caught in trouble.

As a result, the Sundarbans which usually brim with domestic and foreign tourists as soon as the winter season kicks off, is currently witnessing a drastic fall

political uncertainty. "A trip of 42 tourists was booked with my company and they were supposed to set out on December 8. Accordingly, I arranged almost everything. But they cancelled it at the last minute. I could not manage to convince them to reconsider the decision."

"They made the advanced booking. Now, they are asking me to make refunds."

Every month, Kuddus has to spend more than Tk 1 lakh for ship rents, salary of the staff and office rents. "Those who run luxury ships are incurring more

LATE TAX FILING

Three major financial losses for individual taxpayers

JASIM UDDIN RASEL

If an individual taxpayer fails to file a tax return by Tax Day, he or she will face three major financial losses that will significantly increase their tax liability.

The National Board of Revenue (NBR) has extended the Tax Day by two months to 31 January 2024 and it is important to confirm the tax return submission by the day to avoid the huge financial loss.



According to Income Tax Act 2023, taxpayers don't need to apply for a time extension and you may submit your tax return anytime but you will lose the tax benefits.

Let's discuss three major financial losses that will impact your tax amount:

No tax rebate benefit
The tax rebate facility is provided on the investment allowance which reduces an individual's tax liability equivalent to 15 percent of investment allowance or 3 percent of taxable income, whichever is lower.

Suppose, your taxable income is Tk 600,000 and on this amount, the tax rebate shall be Tk 18,000. You will lose this tax rebate amount due to failure of tax filing by Tax Day.

No tax exemption benefit
According to tax law, there are several incomes that are exempted from tax and are excluded from taxable income. Therefore, you don't need to pay tax.

Suppose, a salaried person is eligible to avail exemption at one-third of total salary income but the maximum ceiling is Tk 450,000. IT service providers also enjoy full tax exemption facilities on certain IT services.



In the above cases, they will lose this tax exemption, meaning you will have to pay tax on the full income amount.

Interest at 4% monthly on full tax amount
Till last year, the rate of interest was 2 percent but from this year it will be 4 percent on a monthly basis. Even a fraction of a month will be considered as a full month.

Suppose, if you submit a tax return on March 14, 2024. Then you will have to pay interest on your tax amount at 4 percent for two months.

In addition, any tax paid at source or as advance tax to the government coffer shall not be excluded from the tax liability. This means you will have to pay interest on the full tax amount. Previously, taxpayers could exclude the tax payment amount as they have already paid to the government coffer.

On the one hand, you are losing tax rebates and tax exemption facilities. On the other hand, you will have to pay tax at 4 percent on the full tax amount as discussed above, which will impact your tax liability significantly.

Jasim Uddin Rasel is author of Smart Money Hacks

How rich societies can live well with slow growth

REUTERS, London

Christmas is traditionally a period for consumption and spiritual reflection. That makes the upcoming holiday a good moment to pose one of the top political and economic questions facing rich countries: whether their citizens can continue to live well in an era of slower growth.

This depends in part on economic and political decisions about how to allocate resources. But if well-off countries continue with an acquisitive and individualistic mindset, there will be much unhappiness and conflict. If they embrace a more purposeful, caring and green future, citizens can thrive.

Ancient Greek philosophers such as Aristotle knew that material goods are necessary but not sufficient for good lives. People also have social, intellectual, and even spiritual needs.

Modern studies, such as the annual World Happiness Report, back this up. Income is one factor that explains how satisfied people are with their lives. But social support, healthy life expectancy, and freedom to make their own choices are also vital. Despite this, modern culture gives pride of place to economic growth.

Economic progress can be a powerful force for social change. In recent decades, rapid increases in GDP have helped to take billions out of poverty. People who lack basic material goods can have miserable lives. So poor countries need to keep growing.

Meanwhile, poor people in rich countries need more income. If growth is slow, that means they will need to be given a bigger slice of the economic pie. Even after basic needs are met, extra income can boost people's happiness.



A worker grinds a metal grate inside a household furniture manufacturing factory in Ahmedabad, India.

PHOTO: REUTERS/FILE

India's economy to retain top spot in 2024

REUTERS, London

India has been the world's fastest-growing major economy in the last two years and is forecast to retain the top spot in 2024 as the urbanisation and industrialisation process reaches the rapid take-off phase.

Real gross domestic product is forecast to increase more than 6 percent in both 2023 and 2024, according to the International Monetary Fund, October 2023).

Compound annual growth will be slightly faster than China (4-5 percent), twice as fast as the world economy as a whole (3 percent), and four times faster than in the advanced economies (1.5 percent).

India's economy and demographics resemble China's between the late 1990s and early 2000s.