Return filing deadline for firms extended to Apr 30

STAR BUSINESS REPORT

The National Board of Revenue (NBR) yesterday extended the deadline for tax return filing by companies by two months to April 30, according to an order.

The announcement comes just a day before the deadline for the submission of income tax returns by firms expires. Earlier, the NBR extended the time from January 15 to February 28.

"We have extended the deadline in response to the request from businesses so that companies can comply properly," said Bapan Chandra Das, second secretary for tax law at the NBR.

Last week, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) urged the tax administration to grant more time as businesses are yet to get a comprehensive idea about the Income Tax Law 2023, which became effective in June last year.

READ MORE ON B2

Daraz to go for layoff in Bangladesh to cut costs

Four more countries to see similar move from e-commerce giant

Daraz: Highlights

- Acquired by Chinese e-commerce giant Alibaba in 2018
- Operates in Bangladesh, Pakistan, Nepal, Sri Lanka, and Myanmar
- Market leader in e-commerce in Bangladesh
- Employs nearly **900** full-time people in Bangladesh
- Nearly one-third of employees may lose jobs
- Has a network of **50,000** sellers
- Avg daily orders stand at **100,000**
- Yet to become profitable

MAHMUDUL HASAN

Daraz Group, Alibaba's South Asian e-commerce arm that operates in five markets including Bangladesh, has announced that it will "bid farewell to many valued members" but stopped short of disclosing the number.

Sources at Daraz Bangladesh told The Daily Star that the layoff figure would be substantial, potentially affecting nearly 40 percent of the current full-time staff of around 900.

"After much deliberation, we collectively arrived at the decision to adopt a more streamlined and agile structure. Reluctantly, we will bid farewell to many valued members of the Daraz family," Daraz said in a statement.

"This decision was taken as a last resort."

"Over the past couple of years, we have worked to manage costs and improve operational efficiency substantially. Despite our efforts to explore different solutions, our cost structure continues to fall short of our financial targets. Facing unprecedented challenges in the market, we must take swift action to ensure our company's long-term sustainability and continued growth."

The sources said many employees in Bangladesh are also on the list for termination.

Daraz Group organised a town hall yesterday and its CEO James Dong informed the employees about the imminent layoff, according to people who took part in the meeting virtually.

Dong took over the role of Daraz's chief executive in addition to his existing responsibilities last month after Bjarke Mikkelsen stepped down.

According to two people who are aware of the discussion regarding the layoff, some high-level executives are also being sacked.

Daraz Bangladesh also employs more than 800 people on a contractual basis, and their number might be cut significantly as well, according to the sources.

An employee of Daraz said the downsizing of the company comes as it looks to attain profitability.

Fahim Mashroor, a former president of the Bangladesh Association of Software & Information Services, described the layoff as a major setback for the e-commerce sector of Bangladesh.

"Daraz has been the market leader in e-commerce. If its leadership can't ensure profitability, it will give local and foreign investors bad signal about the market's potential."

Also, the internet entrepreneur said, a lot of young graduates who are looking to build career in the digital commerce segment will now think again.

"People who are going to lose jobs may find it difficult to get employment immediately given that the job market situation is already tight because of the recent economic slowdown."

A few other companies that depend on Daraz such as logistics service providers may also face challenges in the coming months if the e-commerce company becomes too conservative about its business growth, Mashroor added.

Chinese e-commerce giant Alibaba acquired Daraz Group in 2018. It has operations in Bangladesh, Pakistan, Nepal, Sri Lanka, and Myanmar.

Daraz is the market leader in the e-commerce segment in Bangladesh with 50,000 sellers and an average of 100,000 daily orders.

The expected layoff would be one of the biggest in the nascent e-commerce and digital service business in Bangladesh. Earlier, Foodpanda went for a substantial job cut, while ShopUp downsized the employee to about 1,000 people.

In February last year, Daraz Bangladesh laid off dozens of employees as its parent reduced the size of the workforce by 11 percent.

Daraz Bangladesh has not responded to The Daily Star's requests for comments on the layoff.

Grameen America lends $4b to women entrepreneurs since inception

STAR BUSINESS REPORT

Grameen America has lent $4 billion to women entrepreneurs in financially underserved communities in the United States since it began its journey in 2008.

It has disbursed the funds to empower more than 190,000 women across 27 US cities and by 2030 it will be on course to invest $5 billion.

"This achievement demonstrates the commitment to empowering women and fostering community development," Grameen America said in a press release.

Founded on the idea of Nobel Laureate Professor Muhammad Yunus, Grameen America follows the Grameen Bank model. Prof Yunus serves as the chairman of Grameen America Inc.

The organisation provided $1 billion in capital to women business owners within a single year, making it the fastest-growing microfinance organisation in the United States.

Andrea Jung, president and CEO of Grameen America, said $4 billion in loan capital is a monumental achievement while recognising an ongoing and substantial need for affordable financial services on a national level.

GRAMEEN AMERICA

Women's economic mobility, the lives of their children and the development of communities nationwide are at the forefront of Grameen America's commitment to providing access to affordable capital without barriers such as collateral or credit history.

Eastern Bank to launch climate change adaptation award

STAR BUSINESS DESK

Eastern Bank PLC, one of the leading private commercial banks in Bangladesh, will launch "Climate Change Adaptation Award" this year.

The award aims to recognise and celebrate the best practices and innovations in climate change adaptation, resilience, and mitigation in Bangladesh by different business entities, organisations, and activists, the bank said in a press release.

The award will be given annually in different categories covering a wide range of sectors and themes, such as renewable energy, water conservation, sustainable agriculture, urban resilience, biodiversity protection, and disaster preparedness.

The award is open to all corporates, manufacturing companies, and non-governmental organisations (NGOs) operating in the country, and climate activists who have demonstrated excellence and leadership in implementing climate change adaptation projects and initiatives.

READ MORE ON B2

Forum introduces 35 panel members for next BGMEA polls

STAR BUSINESS REPORT

The Forum, a panel which will participate in the biennial election of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Sunday introduced the panel members at an event held at the Radisson Blu Dhaka Water Garden Hotel.

Former BGMEA presidents and Forum leaders attended the introduction event.

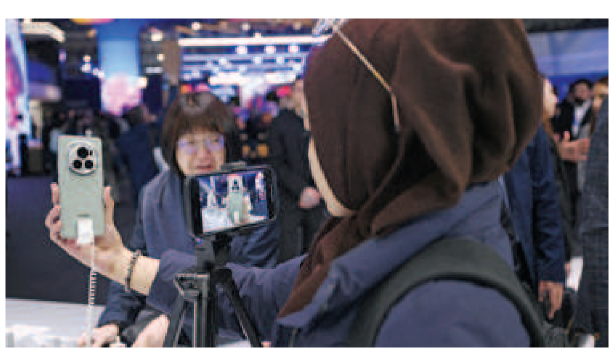
The Forum panel leaders committed making BGMEA a better version of and establishing a better garment business environment in the country if they are elected.

Thirty-five members are participating from the Forum panel in the BGMEA election, which is scheduled to be held in Dhaka and Chattogram on March 9.

Former BGMEA presidents Anisur Rahman Sinha, Anwar ul Alam Chowdhury Parvez, Rubana Huq and M Abdus Salam, Forum president, also spoke.

Forum panel leader Faisal Samad gave his introductory speech at the event.

Another panel Sammilito Parishad has already announced their manifesto at a press conference held at Sonargaon Hotel in Dhaka



A visitor tests a smartphone during the Mobile World Congress in Barcelona on February 26. PHOTO: AFP

Smartphone makers bet on AI

AFP, *Barcelona*

Smartphone makers are packing their latest devices with flashy new artificial intelligence tools such as real-time voice translation and advanced photo editing in efforts to reignite consumer demand.

The trend was on display at the telecom industry's biggest annual show, the four-day Mobile World Congress (MWC) which got under way Monday in Barcelona, where handset makers focused on the unique AI-powered features of their new flagship devices.

"Phones have just got boring, they are not as exciting as they used to be. The changes from one model to the next are not that great," Ben Wood, chief of researcher at CCS Insight, told AFP.

While cameras, battery life and screens are "a little better" than before, companies need to add more "exciting" capabilities to their products to encourage people to upgrade their phones, Wood added.

"AI is a way to do that," he said.

South Korean giant Samsung's stand at the MWC prominently plugged its new premium AI-powered Galaxy S24 range, which allow users to make or receive a call in a language they don't speak and then receive a live translation of the call both audibly and on the screen.

The feature can handle 13 languages, including French, Japanese and Hindi.

The new handsets -- which were launched in January -- also includes an AI-powered photo editing tool that allows you to easily move and erase objects and people from photos, and then generates content to fill the empty spaces that match its surroundings. Smaller device makers are also betting heavily on AI.

China's Honor launched its new AI-infused flagship Magic 6 Pro smartphone in Barcelona which features a camera with motion-sensing capabilities that can detect and automatically photograph fast actions such as sports at the best moment.

It also includes AI-powered eye-tracking technology which allows users to control apps with their eyes -- without using their fingers -- which Honor demonstrated by using the phone to control a car hands-free.

Launch owners demand tax cut as passenger flow falls

Once high in demand among people travelling between Dhaka and the country's southwestern districts, commercial passenger vessels, locally called launches, are said to be facing a dearth of passengers due to the Padma Bridge, which has enabled travelling by road and railways in around half the time it took over the waterways. The photo was taken at the Barishal launch terminal yesterday. PHOTO: TITU DAS

STAR BUSINESS REPORT

Owners of commercial passenger vessels, called launches in Bangladesh, yesterday demanded that the government reduce their advance income tax (AIT) per passenger on grounds of a drastic drop in business since the opening of Padma Bridge.

Connecting Dhaka to 21 southwestern districts via road and rail, Padma Bridge opened to traffic on June 26, enabling people to reach their destinations in around half the time it took over the waterways.

Currently, 50 to 55 launches are operating on these routes every day whereas 120 vessels used to run earlier, said Md Badiuzzaman Badal, senior vice president of Bangladesh Inland Waterways (Passenger Carrier) Association.

"Almost two to three months' staff salary is due. If the situation continues, a huge number of vessels would have to be scrapped soon," said Badal.

Attending a pre-budget meeting with the National Board of Revenue (NBR) at the latter's headquarters, the association demanded the AIT be reduced to Tk 75 per passenger from the next fiscal year from Tk 125 at present for vessels that are less than 10 years old.

For the vessels more than 10 years old, they demanded that the AIT be reduced by half to Tk 50.

At the same meeting, the Aviation Operators Association of Bangladesh also demanded withdrawal of a 5 percent AIT on aircraft parts.

Parts of aircraft, including helicopters, are very expensive, meaning they require a huge amount of foreign currencies, they said.

The AIT, combined with other taxes on select components, takes the overall tax rate to over 100 percent in some cases, they added.

"The tax rate is not sustainable for the survival of the almost fragile aviation sector of Bangladesh," said Mofizur Rahman, the association's general secretary.

Similarly, Bangladesh Inland Container Depots Association demanded reduced corporate income tax to 10 percent from existing 27.5 percent from the next fiscal year 2024-25.

In response to the proposals, NBR Chairman Abu Hena Md Rahmatul Muneem said they would examine the proposals.

WTO approves services trade rules, overcoming objections

AFP, *Abu Dhabi*

The World Trade Organization Tuesday enshrined new rules facilitating trade in services between more than 70 member states, the European Union's trade commissioner said, despite initial objections from India and South Africa.

The set of rules will streamline authorisation requirements and ease procedural hurdles faced by businesses, according to a press release.

It will help reduce the costs of global services trade by more than $119 billion every year, it added.

Its integration into the WTO implies all 164 members have approved as per the body's rules which require full consensus.

"Reaching this outcome...and integrating it into the WTO has not been an easy pass," EU trade commissioner Valdis Dombrovskis said during the WTO's 13th ministerial conference in Abu Dhabi.

"We faced opposition from two WTO members" but a "spirit of compromise" eventually cleared hurdles, he said without naming any country.

WTO chief Ngozi Okonjo-Iweala, meanwhile, thanked "India and South Africa for finding a way forward," calling services the "future of trade."

Global services exports are valued at more than $6.5 trillion, representing 23 percent of total world trade, according to the EU.