

Star BUSINESS

DHAKA MONDAY MARCH 17, 2003

VAT withdrawn from Jamuna bridge toll

UNB, Sirajganj

The government has withdrawn the 15 per cent VAT (value added tax) imposed on the toll collected from vehicles crossing the Bangabandhu Jamuna Bridge following strong protests and pressure from the transport owners' and workers' associations, sources said.

Transport fares and prices of various commodities shot up due to imposition of the VAT since March 1.

BRTC bus fare on Dhaka-Sirajganj route rose to Tk 130 from Tk 110.

IBBL Board recommends 25pc cash dividend

The Board of Directors of Islami Bank Bangladesh Limited (IBBL) has recommended a 25 per cent cash dividend for the shareholders for the year 2002, says a press release.

The recommendation was made in an emergent meeting of the Board of Directors of the bank held at its boardroom with Shah Abdul Hannan, chairman of the bank, presiding.

The meeting also approved the profit and loss account for the year 2002 and balance sheet as at December 31, 2002.

The board also evaluated the overall performance of the bank and expressed its satisfaction at the significant progress achieved during the period.

The meeting decided that the 20th Annual General Meeting of the bank will be held on June 19, 2003.

Dutch Bangla Chamber meets

Dutch Bangla Chamber of Commerce and Industry (DBCCI) yesterday organised a luncheon meeting on "Trade issues between Bangladesh and European Union on post 2005 perspective" in Dhaka, says a press release.

Ambassador Esko Kentrscshynskij, head of the delegation of European Commission in Bangladesh, was present as chief guest while Sjeff Jizermans, ambassador of the Netherlands, and Md Zamir, former ambassador of Bangladesh to EU, were special guests.

The president and secretary general of DBCCI also attended the meeting held at the Pan Pacific Sonargaon Hotel.

EBL introduces new banking software

Eastern Bank Ltd (EBL) has introduced a new banking software recently to generate efficiency in its operation, says a press release.

The software provides a unified back-office-processing environment for corporate, retail and investment banking operations, according to the release.

EBL will have the advantages of consumer banking, corporate banking, treasury, Internet banking and management information system by introducing the software.

SEDF to provide assistance to AP

SouthAsia Enterprise Development Facility (SEDF) has signed a Letter of Understanding (LOU) with AP Dhaka Limited to help AP develop a raw material procurement strategy to secure a source of high-quality raw material suitable for extraction of active ingredients at the factory, says a press release.

The signing of LOU is the first step towards achieving the objective.

The LOU is focused on monitoring pilot agreements between AP and various market intermediaries.

As part of its contribution, SEDF would provide an international consultant to evaluate the operation of the company's raw material supply and generally evaluate a few potential export markets.

The international consultant would appraise market intermediaries' efforts, if any, to promote medicinal plant production and processing procedure including small-farmer training.

Correction

In a news item published on this page on Friday, it was inadvertently printed that the Dhaka Advertising Festival 2003 would be held on Tuesday (March 18). In fact, the festival will take place on April 18. We regret the mistake.

Pre-budget talks with NBR officials Business leaders dub tax rules inconsistent

STAR BUSINESS REPORT

Business leaders at a pre-budget discussion with the National Board of Revenue (NBR) officials yesterday termed the existing tax rules inconsistent and discriminatory.

They also criticised the customs department for harassing businessmen on petty grounds and delaying in clearing consignments from the ports.

Speaking of various inconsistencies in the value added tax (VAT) and income tax net, they demanded a budget free from such discrimination of the country.

They said the customs duties on raw materials in some sectors are higher than the finished goods, which is a major hurdle for industrialisation of the country.

Responding to the business community leaders, NBR Chairman Shoaib Ahmed assured they would try to present a very tolerant, balanced and business-

friendly budget for the next fiscal.

He hoped the revenue earning of the government will get a new boost as 26,000 new taxpayers have already been identified. The process of identifying new taxpayers is continuing and the number would be at least one lakh before June this year.

The discussion, held at the NBR Conference Room, was addressed by

President of International Chamber of Commerce (ICC)-Bangladesh Mahbubur Rahman, President of Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka Tapan Chowdhury, President of Chittagong Chamber of Commerce and Industry Amir Humayun Chowdhury, FBCCI Director Rouf Chowdhury and former DCCI director Manzur Ur Rahman Ruskin.

NBR Member (VAT) Reazul Karim, Member (income tax pol-

icy) Delwara Hossain and other high officials also took part in discussion and responded to various queries from the business leaders.

Revealing various inconsistencies in the government tax system, the business leaders demanded simplification and rationalisation of the existing tax rules.

They also demanded reduction of tax rate through expanding tax net. Otherwise, the government would not be able to increase the revenue earning significantly, they observed.

The business community leaders also attacked the government for not continuing the rule regarding pre-shipment inspection system.

Although the government appointed three PSI companies, the Chittagong customs authorities do not accept the certificates issued by those companies, alleged Amir Humayun Chowdhury.

Tapan Chowdhury alleged the customs department often delays in clearing consignments from the ports, which creates hindrance to the business community. He also criticised the government for not accepting certificates issued by the PSI companies.

Mahbubur Rahman demanded simplification and rationalisation of the income tax net.

With a view to stopping tax evasion, he proposed the government fix Tk 2400 as annual income tax on each business establishment, which will be collected while issuing them with trade licences.

"If the government introduces such a system, the income tax collection will double within very short time," he said.

But the NBR officials ruled out the idea, saying it will create further complexities because the government has no right to collect income tax before a citizen starts earning.

Southeast Bank extends Tk 30m loan to Premier Leasing

Southeast Bank Limited (SEBL) has extended credit facilities of Tk 30 million to Premier Leasing International Limited to refinance their leasing business and operations, says a press release.

A loan agreement to this effect was signed between Southeast Bank Limited and Premier Leasing International Limited at the head office of Southeast Bank Limited in Dhaka recently.

Chowdhury Khaled Saifullah, executive vice president and head of Principal Branch of Dhaka of SEBL, and Mohammad Hafiz Ahmed, managing director of PLIL, signed the deal on behalf of their respective organisations.

Among others Syed Abu Naser Bukhtear Ahmed, president and managing director, MA Muhiith, deputy managing director of Southeast Bank Limited, and Dr Mizanur Rahman Shelly, chairman, and RA Howlader, Consultant of Premier Leasing and International Limited, were present in the signing ceremony.

The senior executives of both the institutions were also present.

Meghna Energy gets ISO certification

UNB, Dhaka

Meghna Energy Limited has achieved the ISO 9001-2000 certification for its quality management system standard with regard to the management of 10.9-MW gas engine power plant at Rupganj in Narayanganj.

The company, a joint venture subsidiary of Rolls Royce Power Venture, UK (RRPV) achieved the Certification from Det Norske Veritas (DNV), Holland on conforming to its quality management system standard.

Cosmos Energy Services, a partner to RRPV, UK is performing the operation and maintenance (O&M) services of the plant, which exclusively caters to the entire electricity needs of Scancement International/Heidelberg Cement.

Dutch-Bangla Bank workshop on money laundering

Dutch-Bangla Bank Limited organised a workshop on 'Prevention of Money Laundering' on Thursday at the bank's training centre, says a press release.

Md Yeasin Ali, managing director of the bank, was present as chief guest. This is the second workshop of the bank on the topic.

Md Harunur Rashid Chowdhury, general manager, Money Laundering Prevention Division of Bangladesh Bank and Abdul Jalil Chaudhury, associate professor of Bangladesh Institute of Bank Management (BIBM) were the resource persons.



Chowdhury Khaled Saifullah, executive vice-president and head of principal branch, Dhaka of Southeast Bank Limited, and Mohammad Hafiz Ahmed, managing director of Premier Leasing International Limited, sign an agreement at the bank's head office in Dhaka recently. Under the deal, the bank will extend credit facilities of Tk 30 million to the leasing company.

New BGMEA chief for unity to bail out troubled sector

STAR BUSINESS REPORT

The newly elected president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged apparel exporters to sink their ideological differences to bail out the beleaguered sector.

BGMEA President Quazi Moniruzzaman called upon Oikya Jote leaders, who were rivals to his Sammitia-Forum panel in the election of the association, to join hands to face the challenges of the post-MFA era.

Speaking at a press conference yesterday, the BGMEA president said every one has a responsibility to play a role to tide over this crisis.

Acknowledging current critical condition of RMG sector, he said, new office bearers have to address uneven international trade rules and global economic slump.

He urged all to concentrate on

trade related issues which are impeding smooth growth of RMG industry.

Criticising the prevailing interest rate, he said, unlike the nationalised commercial banks, private ones are yet to reduce interest rate on working capital and project loan.

"Some sick RMG factories need waiver of loan to survive," he said.

He hoped quota free regime after 2004 can be addressed by exploring new markets, product diversification and quality improvement.

He urged the RMG exporters to make the best utilisation of the duty-free offers by New Zealand, Norway, Japan and Canada.

Disclosing that Australia will provide duty-free access for Bangladeshi garments after July 2003, he hoped it will help expand the market.

BGMEA expects to organise

single country fairs in Australia and Canada very soon to promote Bangladeshi garments there.

He said BGMEA will address the issues like garment village with international standard compliance, reorganising of EPB, improvement in Chittagong port infrastructure, central bonded warehouse to facilitate exports.

Answering to a question, he feared war in Iraq will cast adverse impact on the RMG exports.

BGMEA Director Annisul Huq, who is expected to become the president of the association next year by rotation as agreed earlier, also spoke.

BGMEA vice presidents SM Nurul Huq, Zinnat Ali Mia, Shafiqul Islam Mohiuddin and Mohsin Uddin Ahmed Niru were present at the press conference.

I&A Travels made Air Sahara GSA

Air Sahara, a domestic airline of India, has appointed I&A Travels Ltd its general sales agent (GSA) for both passenger and cargo in Bangladesh, says a press release.

Air Sahara started its journey in 1993 with two B-737s and now it has a fleet of 11 B-737s including the new generation 737-700 & 800.

Currently, it is offering connectivity with 61 flights per day to 13 stations.

Air Sahara has flights to Delhi, Mumbai, Bangalore, Hyderabad Patna, Kolkata, Lucknow, Varanasi, Pune, Goa, Madras, Gauhati and Dibrugarh.

I&A Travels Ltd is a concern of Travel Ways Ltd.

Jamuna Bank's workshop on money laundering

A workshop on 'Money Laundering and its Prevention' organised by Jamuna Bank Limited was held at the bank's head office in Dhaka recently, says a press release.

SA Chowdhury, managing director of the bank, inaugurated the workshop.

In his speech, Chowdhury emphasised on the combined efforts of all financial institutions to foil the threat of money laundering.

Harunur Rashid Chowdhury, general manager of Anti-money Laundering Department of Bangladesh Bank, was present as chief guest while Dr Tawfiq Ahmed Chowdhury, director and professor of BIBM, was the special guest.

Pakistan plans trade zone to boost ties with Afghanistan

AFP, Kabul

Pakistan is to establish a special trade zone in its southern commercial hub Karachi to allow swift transit of goods to Afghanistan and boost trade ties, Pakistan's ambassador to Kabul said Sunday.

Rustam Shah Mohmand said the move would help speed up the reconstruction of Afghanistan after decades of conflict as well as expand the burgeoning trade between the two neighbours.

"We have decided to create special facilities for incoming Afghan goods meant for reconstruction at Karachi.

Saifur asks NBR to beef up tax collection

UNB, Dhaka

Finance Minister Saifur Rahman asked the National Board of Revenue (NBR) officials to chase collection targets more closely as revenue earnings trail behind the target, particularly on income tax and VAT heads.

He, however, cautioned the income-tax officials against the alleged harassment of taxpayers.

"You must achieve the target, but make sure that taxpayers are not harassed, rather they feel encouraged to pay tax voluntarily," the minister told a meeting with income-tax executives at the NEC auditorium Saturday.

Although the overall revenue receipt during the first eight months of the current fiscal year was impressive, achievements in income tax and value added tax (VAT) accounts were far below the

mark.

About Tk 2452 crore was expected from income tax and Tk 2193 crore from VAT in July-February period of 2002-03, but those heads are down by Tk 223 crore and Tk 23 crore.

Achievements in other areas of revenue were up the mark, surpassing an overall target of Tk 14366 crore for the period by Tk 90 crore.

Collection in most of the 15 income-tax zones, including Chittagong, fell short of targets in the eight-month (July-February) period, but few zones even earned more than the estimated revenue.

Zone officials however assured the meeting of overcoming the shortfalls during the remaining period of the fiscal year till June 30.

"Traditionally, income tax collection peaks in the last quarters

-- coming up to 45 per cent of the total. We're hopeful of achieving the targets in most of the zones," an income-tax official said after the meeting.

Income tax officials also pointed out some of their practical problems in realising income tax.

State Minister for Finance Shah M Abul Hussain and NBR Chairman Shoaib Ahmed were present.

Since the tax-GDP ratio here is the lowest in the region, the NBR has embarked on a countrywide survey to bring 100,000 new taxpayers into the tax net to add to the existing list of 12.5 lakh tax identification numbers (TIN).

So far, some 26,000 new taxpayers have been brought under the tax net and several thousand more would be added by June, the NBR chairman told the meeting.



Mir Nasir Hossain, director of Eastern Bank Limited (C), speaks at a press conference to mark the launching of a new IT platform in the bank in Dhaka on Saturday. Anis Ahmed, director, and K Mahmood Satter, managing director of the bank, were also present.

New Chinese leaders face economic dangers

AFP, Beijing

When China's new guard under President Hu Jintao formally take the reins of power at the close of the National People's Congress on Tuesday, they will have to guide an economy along a road rife with dangers.

Although China has so far avoided the ills of a recessive world economy, President Hu and his new team could quickly become heirs to an unravelling of China's economic miracle, analysts say.

"China's economy is losing growth momentum and is in need of policy stimulation," said Huang Yiping, an economist at Salomon Smith Barney.

Despite China's stupendous growth, the problems that the new leadership must confront have changed little since outgoing premier Zhu Rongji became China's top economic manager five years ago.

Among the most serious chal-

lenges that Hu and his new Premier and economic chief Wen Jiabao, appointed Sunday, must tackle are an inefficient state sector that is still raking up massive losses.

Meanwhile, China's banking system, which by Western accounting standards is insolvent, is weighed down with non-performing loans estimated to be in the hundreds of billions of dollars.

China also faces increasing unemployment -- officially forecast to increase by 0.5 per cent to 4.5 per cent in 2003 -- while an almost runaway gap between rich and poor is brewing social discontent in its vast hinterland.

Crucial to the Hu-led team's success will be the maintenance of China's strong economic growth rates while keeping a lid on these major structural problems, experts say.

China has set an official growth target of seven per cent for the year, a figure it has been long assumed

Asia's second-biggest economy would easily exceed.

Chinese leaders believe the growth rate must be maintained at this speed to not only keep the economy expanding, but to also contain unemployment, said Joseph Cheng, an analyst at the City University of Hong Kong.

To ensure the economy is on target in 2003 Beijing announced it will prime the fiscal pump by issuing 140 billion yuan (16.9 billion dollars) in long-term government debt.

But these new loans will ratchet up China's budget deficit to 319.8 billion yuan (38.6 billion dollars), an increase of 3.2 per cent increase over to 2002's, which itself was 25 per cent higher than in 2001.

"It is positive because it does stimulate the economy, but the cost is a high deficit," said DBS Bank analyst Chris Leung.