

Govt gets down to trim red tape on foreign businesses, workers

NAZMUL AHSAN

Good news for foreigners willing to set up business establishments in Bangladesh. Soon, they will no longer be required to hop to three different government agencies to embark on any venture. Because, the government has decided to bring the processing works under one office.

The lone authority will also issue work permits to foreign employees working in different business establishments in Bangladesh.

The Board of Investment (BoI) is preparing a draft regulation to execute the decision taken at an inter-ministerial meeting held recently at the Prime Minister's Office (PMO).

Chaired by Principal Secretary to the Prime Minister Dr Kamal Uddin Siddiqui, the meeting was attended by BoI Executive Chairman Mahmudur Rahman, National Board of Revenue (NBR) Chairman Dr Shoaib Ahmad, Executive Chairman of Bangladesh Export Processing Zone Authority (BEPZA) Mofizur Rahman and Industries Secretary AFM Sanwar Kamal.

At present, the Ministry of Industries, BoI and BEPZA issue permissions separately for setting up foreign establishments and work permits to foreign nationals.

Any foreigner willing to set up a trading establishment like buying house, liaison office, airlines office and office for foreign financial institutions needs to obtain permission from the Ministry of Industries, which also issues work permits to foreigners.

The Ministry of Industries issues around 2000 work permits each year to the foreigners working in Bangladesh.

On the other hand, the BoI facilitates registration to both local and foreign industries. The organisations registered with BoI also have to obtain work permits for their foreign employees from the BoI, which issues around 700 work permits a year.

As far as the BEPZA is con-



PHOTO: STAR

A foreign national works on her computer at an office of a donor organisation in Dhaka yesterday. At present, foreigners need permissions from three different government agencies to embark on any business venture. But the government has decided to bring the processing works under one office, which will also issue work permits to foreign employees.

cerned, it issues permission to industries set up within the enclaves of the Export Processing Zones (EPZs). It also issues work permit to the foreign nationals employed in the industries in the EPZ areas. BEPZA issues around 500 to 600 work permits a year.

Sources also said some employees deliberately show lower salary of foreign workers at the time of applying for work permits to evade income tax. Besides, many local and foreign offices have been violating the set ratio of local-foreign employees.

When asked, executive chairmen of the BoI told The Daily Star that the preparation for handling the entire tasks by single institution is going on. The BoI has almost prepared a draft policy in this connection to be distributed among various government organisations, he

added. "Various irregularities and tendency in tax evasion within the present system will come to an end when the single institution with the representatives of many government institutions starts working," BoI executive chairman said.

MCCI appeal for continuation of tax holiday

STAR BUSINESS REPORT

Metropolitan Chamber of Commerce and Industry (MCCI) yesterday appealed to the government not to discontinue tax holiday facility in the coming national budget.

Referring to finance and planning minister's intention to discontinue tax holiday in some sectors, the chamber in a press release said the move would cause hinder new investment.

If the incentive is abused, the right course of action should be taken to detect the root causes of the abuse and find remedy through appropriate reforms and modifications, the press release signed by acting President of the chamber Abdul Hafiz Choudhury, said.

The chamber also urged the government to impose no new taxes in view of the present inflationary trends.

It called for more incentives to stimulate activities in the manufacturing and agriculture sectors.

The next budget should streamline the tax administration, remove the scopes of administrative discretion, which cause tax evasion. The chamber called for widening the scope of greater tax compliance through rationalisation of the existing taxes.

It also urged the government to remove tariff anomalies, which distort the present range of tariff incentives. It also asked to remove cascading effect of tax.

The chamber urged the government to continue support to agriculture sector and also urged to continue financial sector reforms.

It called for phasing out subsidies to SoEs by improving self-financing capacity of public sector bodies.

Free access to Australia from July 1

Australia will allow duty and quota free access of Bangladesh goods from July 1 this year.

This was stated by the Australian High Commissioner in Bangladesh Lorraine Barker during a meeting with the president of Dhaka Chamber of Commerce and Industry Matur Rahman in Dhaka on Thursday, says a press release.

The envoy said Bangladesh exporters should come forward to utilise this opportunity through proper interaction between the businessmen of Australia and Bangladesh.

She also mentioned about the proposed single country trade fair to be held in February, 2004 and urged the businessmen to ensure effective participation in the Fair.

The high commissioner said there is huge business potential between the two countries.

The DCCI president welcomed the Australian businessmen to invest in the prospective sectors like agro-based industry and pharmaceuticals.

He also expressed his optimism that DCCI and Australian mission will work together to explore the business opportunities between the countries for mutual benefits.

Hossain Khaled, vice-president of the DCCI, was also present at the meeting.

Rakub, BTB sign MoU on tea farming

About 300 hectares of land will be brought under tea cultivation in the northern region of the country.

A Memorandum of Understanding (MoU) to this effect was signed between Rajshahi Krishi Unnayan Bank (RAKUB) and Bangladesh Tea Board in Dhaka on Saturday, says a press release.

Under the deal, Tk 2.24 crore will be spent for production of tea sapling and its nursing.

Small cultivators of tea saplings will get benefit under the programme.

RAKUB will provide financial assistance and Tea Board technical support to the farmers through this programme.

Gradually the programme will cover more area of land for development of tea production.

Dr Mujibur Rahman Khan, managing director of Rajshahi Krishi Unnayan Bank, and Brigadier General ASHM Tawhid, Chairman of Bangladesh Tea Board, signed the MoU on behalf of their organisations.

General Manager (operation), DGM, Loan and Advance Department-1, AGM, Dhaka branch, RAKUB, member of research and Evaluation Department and director PDU of Tea Board, were present at the signing ceremony.

Trade economists ready Dhaka for Mexico meet

STAR BUSINESS REPORT

With the appointment of a set of trade economists, the Bangladesh Foreign Trade Institute (BFTI) has started working to get the country ready for the next WTO ministerial meeting in Mexico.

"We have already completed some recruitment for the BFTI and soon will be done soon," Commerce Minister Amir Khosru Mahmud Chowdhury told The Daily Star after an informal meeting of the BFTI board members yesterday.

Under a World Bank funded project, two trade economists have been working from April and Canadian International Development Agency (CIDA) have already sent another two economists for the BFTI who will also work for the conference scheduled to be held at Cancun in Mexico in September, official sources said.

A chief executive officer may be available for three to four years for the BFTI from the Department for International Development (DFID) of UK.

BFTI will act as a think tank and do research works on different trade issues. The institute will provide intellectual support for the government and the private sector.

The institute will be primarily involved in research works for bilateral and multilateral trades. Besides, it will impart training to the government officials and also private sector people to make them efficient in dealing trade and investment.

The government will bear 60 per cent while private sector will contribute 40 per cent of the total expenditure.

The BFTI came into being last month with an aim to strengthen Bangladesh's international trade and investment negotiation capacity.

Tk 500cr agriculture subsidy demanded

BCI places 15-point demands

STAR BUSINESS REPORT

Speakers at a pre-budget discussion demanded at least a Tk 500 crore subsidy for the agriculture sector to boost the economy.

They also recommended allocation of special funds for modernisation of agriculture sector, ICT sector and small and medium enterprises.

The speakers urged the government to allocate more funds to develop the ports to perk up export and import business.

The pre-budget meeting was organised by Bangladesh Chamber of Industries (BCI) at its boardroom in Dhaka yesterday. Abdul Jalil, former commerce minister and current general secretary of Bangladesh Awami League (AL), was present at the meeting as chief guest, which was presided over by BCI President AK Azad.

At the meeting, the chamber placed 15 demands. The demands include reduction of interest rate on industrial loan from 15 per cent to seven per cent, duty-free import of medicine sector machinery equipment, modernisation of RMG sector and setting up of backward linkage industries and increasing cash incentive for leather industry from 15 per cent to 25 per cent.

Addressing the meeting, Jalil said Finance and Planning Minister Saifur Rahman is going to impose new VATs and taxes on different commodities in the upcoming budget.

Jalil vowed that his party would oppose the budget strongly if it goes against national interests.

He also underscored the need for national consensus on preparing a budget.

Allocate fund for child labour rehabilitation

STAR BUSINESS REPORT

A local labour organisation yesterday urged the government for creating a fund in the forthcoming budget for rehabilitating child workers.

The Bangladesh National Council (BNC) of Textile, Garments and Leather Workers also demanded introduction of an allowance for the children.

"After phasing out of industrial child labour, it would become an urgent task for the government to take initiatives for rehabilitating child workers," said Diruba Anguri, chairperson of BNC, at a press conference in Dhaka yesterday.

BNC, a forum of nine labour organisations of textile, garment and leather sector, put forward these demands along with a number of other proposals in support of stopping child labour in Bangladesh.

The proposals include increase of employment opportunities for the parents of child labourers, introduction of social security allowance for

children, increase of childcare homes and health centres and proper implementation of food for education programme.

"Child labour is very cheap and easily accessible, so children are being engaged in risky and worst forms of work, which directly affects the physical and psychological development of these children," said Anguri.

BNC identified poverty and illiteracy as the major factors for widespread employment of children in Bangladesh. "So, alleviation of poverty is a must to stop child labour," she said.

Moreover, BNC proposed compulsory free-education up to secondary level not only for working girls but also for working boys.

The forum also demanded vocational training for these children to create an efficient workforce.

According to a survey of International Labour Organisation (ILO), more than 50 lakh children are engaged in 300 types of economic activities in Bangladesh.

SIA Fabulous Offer announced

STAR BUSINESS REPORT

Singapore Airlines (SIA) on Saturday announced its largest global campaign, the SIA Fabulous Offer, to restore travel confidence and stimulate traffic to Singapore.

The special offer gives up to half of its regular airfares to visit Singapore.

Officials of the airlines said the travel industry was severely hurt by Iraq war and SARS.

"Singapore was a SARS affected country. For SARS and Iraq war people were afraid to visit Singapore," said Terence Wong, general manager of Singapore Airlines in Bangladesh, at a press conference yesterday announcing the special offer.

He said the war fear and SARS scare reduced the number of SIA flights by 30 per cent. The operating loss for this period was in 200 million Singapore dollars.

The general manager hoped SIA Fabulous Offer will help to stimulate visitors and help in overcoming the losses.

"Now, in the world the security is a major concern for every country because of some recent terrorist

attacks in many parts of the world. The airports are under restrictions and the insurance companies are demanding higher premium as the risk has increased worldwide for terrorism," he observed.

Under the new package, SIA will operate flights from Dhaka to eight destinations -- Kuala Lumpur, Penang, Chiang Mai, Lombok, Jakarta, Colombo, Tokyo and Singapore City.

The SIA Fabulous Offer is a package including two night stays in any of the 50 designated hotels. The package includes night safari at Sentosa, complementary airport transfers and the use of the SIA hop-on-bus, a SIA trolley service that brings visitors to the major sights in and around the city, Wong said.

He said beside the Fabulous Offer, the first 15,000 will get a special 'Early Bird Special' offer, which gives a further 50 per cent off the promotional rates to Singapore. "With this Early Bird Special, applicable only for the first 15,000 booking worldwide, travelers effectively pay only 25 per cent of the market fares."

Office-bearers of marine fisheries assoc



Chairman

A Rouf Chowdhury has been elected chairman while A J M Salahuddin secretary-general of the Bangladesh Marine Fisheries Association.

Both were elected uncontested for the years 2003-2005 at an election of the association held in Dhaka on Sunday, says a press release.

Momtazuddin Bhuiyan and Ahmed Faisal Monzoor have also been elected uncontested vice-chairman and treasurer respectively of the association.

Other members of the executive committee who have also been elected uncontested are A K Shamsuddin Khan, Habibullah Khan, Amanullah Chowdhury, Capt Husain Imam, and Faqir Mahub Anam.

BB T-bill auction

The 248th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday.

Tk 121.10 crore, Tk 1.00 crore, Tk 1.60 crore and Tk 6.00 crore were offered for the 28-day, 364-day, 2-year and 5-year bills.

Of these, Tk 121.10 crore, Tk 1.60 crore and Tk 2.00 crore for the 28-day, 2-year and 5-year bills were accepted respectively.

The range of implicit yields was 7.85 per cent, 10.85 per cent and 11.40-11.42 per cent per annum, said a Bangladesh Bank press release.

The bills worth of Tk 223.00 crore will be retired in the current week and net issuance would amount to Tk 98.30 (Tk 124.70-Tk 223.00) crores during this week.

Tk 10cr mutual fund gets nod

Unbundled ICB to invite subscription next week

M SHAMSUR RAHMAN

The Securities and Exchange Commission (SEC) has approved Tk 10 crore first mutual fund of a subsidiary company of Investment Corporation of Bangladesh (ICB).

The SEC gave necessary seal of approval on Saturday under which the subsidiary company, ICB Asset Management Company Ltd, will manage the fund and mobilise it in the primary and secondary markets. The name of the fund is ICB AMCL First Mutual Fund.

The ICB had been unbundled into three subsidiary companies--ICB Capital Management Ltd, ICB Asset Management Company Ltd and ICB Securities Trading.

ICB Capital Management Ltd

has been formed to facilitate underwriting and portfolio management, ICB Asset Management Company Ltd will facilitate asset management services and ICB Securities Trading will facilitate stock broking services.

Each ICB subsidiary has a six-member board with three ex-officio members.

The ICB AMCL First Mutual Fund will be close-ended fund, which will be open to public subscription from June 16 and continue till June 30 this month. Fifty units will form a market lot with Tk 100 face value for each unit.

Of the total Tk 10 crore size the asset management company will raise Tk 3 crore in private placements and the rest Tk 7 crore will be

raised through initial public offerings.

Talking to The Daily Star, Ziaul Haque Khondker, managing director of the ICB, trustee and custodian of the fund, said though the fund will primarily be invested in the stock market, the fund managers will have the option to invest up to 25 per cent of its total size in fixed income securities.

Khondker said ICB was established in October 1976 with a view to broadening investment base in Bangladesh by mobilising resources of the poor.

"Over the years, the activities of ICB have grown manifold, particularly in mutual fund operations. Out of total 10-closed ended mutual funds, ICB is managing eight of them. ICB also manages the lone

open-ended mutual fund in Bangladesh worth almost Tk 500 crore," Khondker said.

He said over the years ICB provided attractive dividends in all these funds. Having long and proven experience, ICB has been able to earn investors' confidence in the capital market.

"Now, with the three different subsidiaries we should be able to do better," Khondker hoped, adding that such institutional investment is necessary for development of the capital market.

Khondker said now Bangladesh's capital market is very lucrative as the price earning ratio (PER) is at historic low of 5.90 and yield at 8.46 per cent, which is relatively higher than other countries in the region.

ECNEC okays 10 new schemes under agri ministry

8,636-kilometre electricity supply line in 433 upazila

STAR BUSINESS REPORT

The government yesterday took up two massive projects at a cost of Tk 937 crore to install a 8,636-kilometre electricity supply line in 433 Upazila and reach Milk Vita milk across the country.

The electricity supply project would be implemented at a cost of Tk 917 crore while the Milk Vita marketing project will cost Tk 20.48 crore.

The decision was taken at the meeting of the Executive Committee for National Economic Council (ECNEC) yesterday with Prime Minister Khaleda Zia in the chair.

Under the projects, around three lakh new consumers would get electricity supply and two plants would be set up at Dhaka and Baghabari for producing ultra high temperature (UHT) treated milk.

After treatment at the plant,

the milk can be preserved for as many as 180 days for consumption.

The Milk Vita produced milk can now be preserved only for two days.

"Around Tk 350 crore in foreign currency would be saved after setting up of the Milk Vita marketing project," said Local Government and Rural Development and Cooperative (LGRD) Minister Abdul Mannan Bhuiyan after the meeting. He told the reporters that the plant would go for production in June 2004.

UNB adds: Executive Committee of the National Economic Council (ECNEC) yesterday approved 10 development projects involving over Tk 14,468.39 crore, including Tk 4,904.20 crore in project aid.

The projects include a Tk 11,419.80 crore scheme, including Tk 4,425.40 crore in project

aid, for the revised Programme Implementation Plan (PIP) of Health and Population Sector Programme (HPS) of the Health and Family Welfare Ministry.

The approval came from a meeting of the ECNEC at Sher-e-Bangla Nagar held with the Prime Minister and ECNEC chairperson Khaleda Zia, in the chair.

Nine other approved projects are Ultra High Temperature (UHT) Treated Milk Plant at the factories of Milk Vita at Baghabari and Dhaka, Rural Infrastructure Development Project, Rural Development Project-20: Greater Comilla Infrastructure Project of Local Government Division, Operation Capability Strengthening Project and Nalka-Bogra Gas Transmission Line Construction Project of Energy and Mineral Resources Division, Deep Tubewell project in Barendra Region of Agriculture Ministry, three women's

polytechnics at the divisional HQs of the Education Ministry, reconstruction and renovation of government primary schools project of the Primary and Mass Education Department, and expansion of power distribution system project of the Power division.

Besides, the meeting also approved in principle six development projects, which will be implemented from the revenue budget instead of the annual development programme (ADP).

The projects are strengthening of the Coastguard, Infrastructure development of Benapole customs station, integrated 'Ufsi' (HYV) jute and jute seed production, goat development for poverty eradication, Child Development Programme and implementation of the UN Sea Law Convention 1982.