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HYUNDAI

CARS THAT MAKE SENSE

Salam calls for expanding cooperative movement

LGRD and Cooperatives Minister Abdus Salam Talukder yesterday called for strengthening and expanding the cooperative movement in the country to promote national economic progress, reports BSS.

Speaking as chief guest at a function marking the 73rd International Cooperative Day here at the Samabay Sadan the minister said the on-going cooperative movement could be strengthened further if the educated and acceptable people join the movement at all levels.

Organised by Bangladesh Jatiya Samabay Union the function was also addressed by Minister of State for Planning Dr. Abdul Moyeen Khan, Deputy Minister for LGRD and Cooperatives Abdul Hye, Members of Parliament Qamruddin Ahia Khan Majlish and Begum KJ Hamida Khanam, Secretary of the LGRD and Cooperatives Ministry Mahe Alam and registrar of cooper-

ative societies Azizul Huq Bhuiyan.

It was presided over by Salahuddin Ahmed, MP, and President of Bangladesh Jatiya Samabay Union.

Barrister Talukder said that for the last 100 years there had been cooperative movement in the country to alleviate poverty.

He further said that the movement was now expanding and a total of 73 lakh people were directly involved in the cooperative movement which, he added, had helped achieve progress in industrial, agriculture and dairy sectors.

The minister said Bangladesh had achieved near self-sufficiency in food. He recalled the contribution of the cooperative societies along with the farmers in general to achieve such progress.

Barrister Talukder said the government had given importance to the cooperative sector. With this end in view, he added that a special allocation

had been made in the current national budget for generating self-employment by the womenfolk.

In his speech, Dr. Moyeen Khan said that discipline had been restored in the Cooperative Bank and now it had turned into a profitable concern from the losing one.

The State Minister referred to a proposal of the Bangladesh Bank to convert the Cooperative Bank into a commercial organisation and said such proposal was not acceptable.

He said the cooperative bank must have its cooperative character.

Dr Khan said during the last two and a half years the Cooperative Bank had given a loan of Taka two crore from its own resources.

Deputy Minister Abdul Hye said the cooperative society was a society different from others and its aim was to remove poverty from the society.

Sub-standard products flood northern markets

NATORE, July 1: A huge quantity of commodities produced in northern region including Natore are being marketed without the approval of the Bangladesh Standard and Testing Institute (BSTI), reports UNB.

As a result, on the one hand, government is being deprived of a huge revenue and on the other, sub-standard commodities are being sold to the customers.

Resides, the metric system of weight has not yet been introduced in many interior areas. The BSTI is responsible for testing commodities to see if they meet quality control standards and for measuring the metric system weight of products. The institute issues a mark of quality, called "CM" on all packets of commodities before they are released in the market.

In addition, fitness certificates are issued for the producers to ensure that all products approved by the testing institute are of the standard quality.

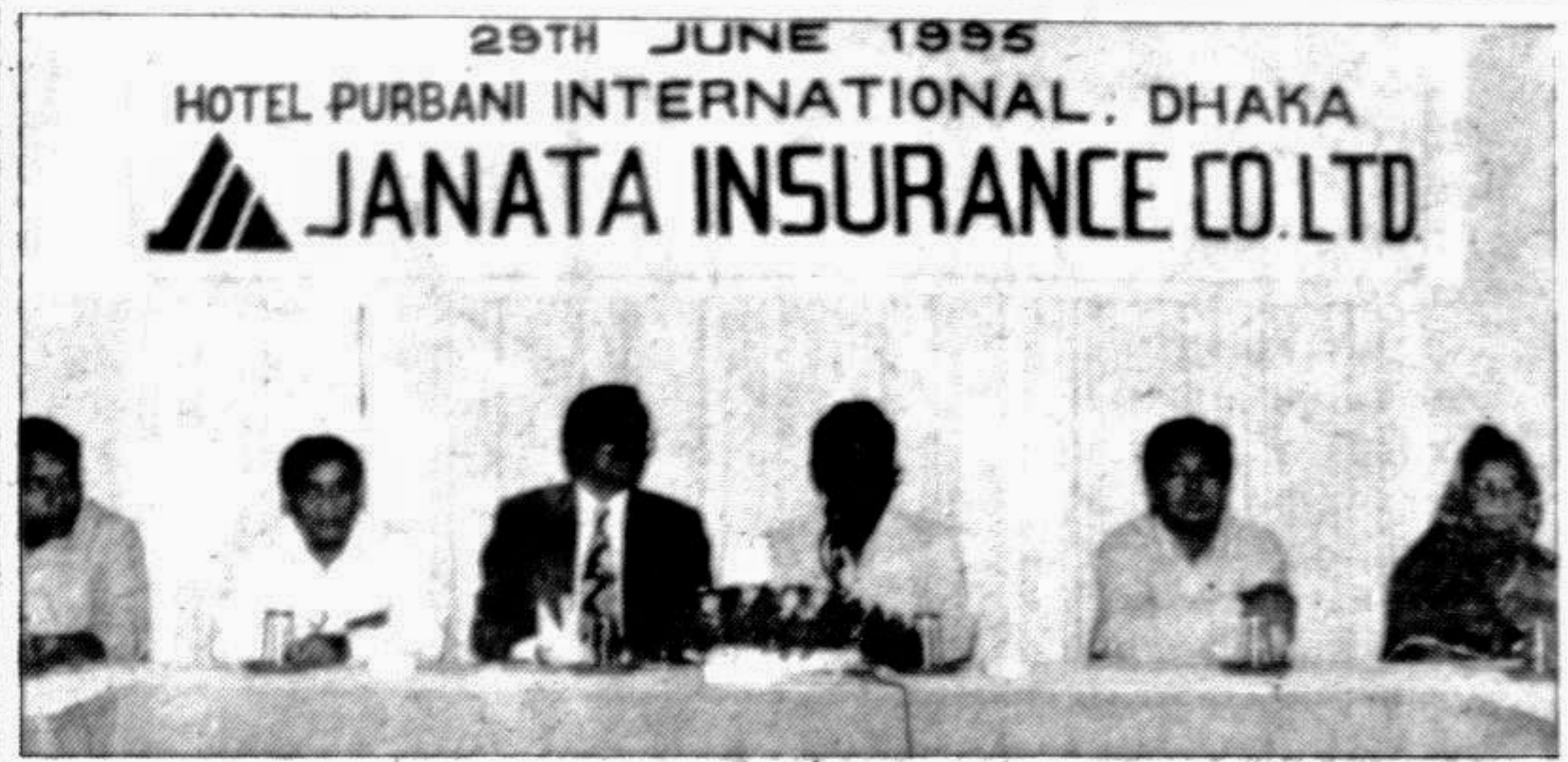
Commodities like edible

oil, coconut oil, electrical appliances, biscuits, cement, match boxes, cosmetics, packet food, jelly, picklers, cold drinks, fertiliser, sugar, salt and other 1500 items have been included under the BSTI certificates before marketing.

Among these, 130 items like packet food, electrical appliances, match boxes, edible oil must be produced before the BSTI for pre-marketing quality testing.

However, quality control of products is not taking place properly as there are not enough inspectors to cover the 16 northern districts and 124 thanas under the Rajshahi divisional office of the BSTI. There are only four inspectors, one deputy director, one assistant director and one field supervisor in the office, it is learnt.

As a result, hundreds of low-quality products are being flooded in the markets. Almost all of the goods in these districts are not checked by the BSTI.



29TH JUNE 1995
HOTEL PURBANI INTERNATIONAL, DHAKA
JANATA INSURANCE CO. LTD

An extra-ordinary general meeting of the shareholders of Janata Insurance Co. Ltd. was held at a local hotel on Thursday MA Qudus, Chairman of the company, presided over the meeting. Also seen in the picture are: Aziz Al-Kaiser, Vice Chairman, Zafar Ahmed Chowdhury, Chief Adviser, MA Sabur, Adviser, Aklima Begum, Director, and Rezau Karim, Managing Director.

Banned Indian pesticides being smuggled into Bangladesh

Inferior quality Indian pesticides, including the ones which are banned and condemned in India, are being smuggled into Bangladesh, sources said, reports UNB.

These pesticides are dangerous to human health and environment friendly lives, but are being used by the farmers without knowing their adverse impact on the environment.

The Indian pesticides that are reportedly smuggled into Bangladesh include Agro-hecto, Thiodan, Iodinhibel, Acrothibish, Thaalal, Hildan, Hildish, BHC, Hexadaf, according to Society for Environment and Human Development.

The NGO which carried out an investigation on the state of pesticide business and use in Bangladesh recently found that the smuggled pesticides or insecticides are sold indiscriminately, partly as a result of raised prices of the locally produced ones.

The dishonest traders take full advantage of the ignorance of the farmers who are not aware of the bad effects of sub-standard Indian pesticides.

The sub-standard or condemned Indian pesticides are usually seen in Jessore, Kustia, Nilphamari, Comilla, Kurigram, Gaibanda and Rangpur districts.

The Department of Agri-

culture Extension circulated leaflets in those areas on the adverse impact of the banned and highly toxic pesticides and urging the farmers not to use these pesticides.

But field reports said that the use of such pesticides increased in recent times. Although the use and sale of these pesticides are punishable offence there was hardly any report of apprehending and punishing the offenders.

Of the Indian insecticides smuggled into Bangladesh, \$ 20m WFP aid to Indian forestry workers

Thiodan is extremely toxic. It is reported to be abundantly used by farmers.

This insecticide gives quick result, but the damages it causes to the plants are severe and long term. The toxicity of Thiodan is said to remain in the soil for over two decades. It may kill the soft plant within 24 hours of its use.

The food contaminated with toxicity of Thiodan also causes severe impact in human health. This insecticide is banned in India but is being used here due to availability and cheapness, Department of Agriculture Extension sources said.

Janata Bank okays Tk 557.52 cr as industrial loan in '94-95 fiscal

Janata Bank sanctioned Taka 557.52 crore as industrial loan during the 1994-95 fiscal year for the setting up of 2,967 projects exceeding its target of Taka 500 crore for the fiscal fixed by the Bangladesh Bank, reports BSS.

According to a Janata Bank press release here yesterday out of the money, Taka 338.27 has already been disbursed. The projects for which the money was sanctioned include two cement factories, four paper mills, four spinning mills along with textile and jute, engineering, chemical, dairy, poultry, fisheries and other agro-based industries.

Export-oriented, import substitute and local raw materials based projects received preference. On implementation, these projects will play a significant role in GDP as well as earning valuable foreign exchange for the country, the press release added.

Besides, the projects will create job opportunities for 16,652 people, the bank press release further said.



Professor Afser Uddin, a former Vice-Chancellor of Dhaka University, addressed a workshop on 'The Role of Local People in Poverty Alleviation' organized by ASA at Chunarughat Thana auditorium on June 23. At the workshop, AYM Musarrat Hossain, DC Hobigonj District, Md Shafiqul Haque Choudhury, Chief Executive, ASA, Md Enamul Haque, Project Coordinator ASA Chairmen of different Union parishads and leaders of some political and student organisations expressed their views on people's participation in local development activities.

Poverty alleviation programme in Feni

FENI, July 1: Poverty alleviation programme for the poor farmers of the Land Ministry was inaugurated here on Tuesday through disbursing loan among the 41 families, reports UNB.

At the first phase, Tk 10.25 lakh was distributed among 41 families of Jospur and Nizgram villages of Chhagalnaiya thana.

Deputy Commissioner AHM Nurul Islam distributed bank cheques among the families at a function at the thana parishad auditorium.

The interest free loan will be distributed among the 393 families of the two villages phase by phase. Each family will get Tk 6000 to 50,000 against purchasing bullocks for plough, rickshaw, irrigation pumps etc.

The poverty alleviation programme has been introduced make the poor farmers self-reliant.

Khagrachhari LGC pourea budget announced

From CHT Correspondent
KHAGRACHHARI, July 1: Khagrachhari Hill District Local Government Council (KHDLC) and Khagrachhari Pourashava Thursday announced their respective budgets for the fiscal year 1995-96.

The budget for KHDLC amounts to Taka 6.47 crore while that for Khagrachhari Pourashava Taka 1,90,82,512.

US, Russia sign economic cooperation accords

MOSCOW, July 1: US Vice-President Al Gore and Russian Prime Minister Viktor Chernomyrdin signed a range of economic and technological cooperation accords Friday but failed to resolve a dispute over Russian plans to sell nuclear equipment to Iran, reports AFP.

Gore voiced support for Chernomyrdin at a crucial time for the Russian government, which is still reeling from the Budenovsk hostage crisis and faces a no-confidence vote in parliament Saturday.

Meeting Gore yesterday President Boris Yeltsin praised the work of a Russian-US commission set up in 1993 to promote cooperation between the two former enemies.

Gore confirmed that no overall agreement had been reached on the nuclear dispute, but said both sides would continue contacts on the issue and the United States would provide further intelligence information about Iran's capabilities.

"We will cooperate to make certain that nothing is

transferred that can lead to making nuclear weapons," he told reporters after the signing ceremony.

Chernomyrdin said that "no sort of cooperation we have in mind with Iran will allow that country nuclear weapons."

During summit talks in May US President Bill Clinton failed to persuade Yeltsin to abandon the project to help Iran build a nuclear power station at Bushehr.

But Yeltsin abandoned the sale of a controversial gas centrifuge to Iran, and the Gore-Chernomyrdin commission was charged with resolving the dispute.

Gore and Chernomyrdin announced two accords to ensure "full and timely" implementation of a 12-billion-dollar deal signed in 1992 for Russia to sell to the United States 500 tonnes of highly enriched uranium from nuclear warheads.

Moscow earlier accused Washington of trying to lower the originally agreed price for the uranium.

ICAB team to attend SAFA Regional Seminar

A three-member official delegation of the Institute of Chartered Accountants of Bangladesh led by the SAFA President Jamal Uddin Ahmad FCA, Member Council and a past President of ICAB, leaves Dhaka today to attend the SAFA Regional Seminar scheduled for 4-5 July, says a press release.

ICAB President Badrul Hasan FCA, and Executive Secretary SAFA Anwaruddin Chowdhury FCA, Member Council ICAB, are the other two delegates.

Reforms of direct tax assessment procedures — some observations

Government very dearly.

Anyone whose annual income is above Tk 55,000 is assessable to income tax. Go down the street and see a kiosk selling cigarettes. His monthly income is above Tk 55,000 floor level. Ask a newspaper hawker about his income. Most of them are assessable to income tax. So is the baby-taxi driver. If such common people living on the fringe of the economy are assessable to income tax, the figure of tax assesses should run into many millions. Their number is reported to be an unbelievable figure of half a million. The annual figure of those who actually submit returns is actually less than two lakh. Something is then seriously wrong with the coverage. First, potential tax-payers are repelled by the system. They stay away from the tax offices. Second, the system does not widen the tax-net by drawing in potential tax-payers. On the contrary, it may be driving the existing assesses out of the net.

Direct taxes have to take a dominant position in tax revenues in future. 1.6 per cent of the GDP is said to be the aim for collection this year. This is a dismal figure. This has got to improve. Tax Administration needs to be reformed. One area of reform is straight dealings by tax offices. Returns are submitted,

accepted and no-demand letter issued within weeks if not days. There is no earthly reason why it cannot be done. All advanced countries in the world do that. Check the computation of tax and figures relating to income and accept the return. The assessee is bound by their statements are found to be wrong in subsequent investigations, which may be carried out, penal rates can be imposed on him. The fear of subsequent investigation and penal rates of taxes will keep assessee on lines. This is a tested and tried system. It works well in all other countries. What is more it induces citizens to contribute to public exchequer by paying their taxes as the system does not cause harassment. It lightens works of tax offices and creates surplus administrative capacity to deal with a much larger tax-net. Trust and confidence in tax payers with adequate checks for possible defaulters have turned in excellent dividends in the assessment and collection of VAT in our own country. There is no more policing of the VAT payers as was the case with Excise. Tax-payers themselves assess and pay their taxes. The government, of course, has the right to check at all times and at all points. Why can't the same

principle be extended to income tax as well? Let the Tax Department prepare every year a lucid brochure for every class of tax-payers. This brochure can help tax-payers in the preparation of his tax return. Tax office may also provide over telephone or a visit to tax office such information as may be needed by the assessee in the preparation of his return. Ordinary people cannot afford tax-lawyers. Most people in all advanced countries have access to facilities given by the government to prepare their returns without extra cost. We do not follow this course yet, although it is productive of both higher revenues and higher welfare.

Ease with which tax return is accepted will build confidence of tax-payers in the tax offices. Brochure and subsequent help by tax offices for the preparation of returns will replace existing animosity by a sense of partnership. This will be a sea-change and productive of tax revenues. Government efforts to widen the tax-net can thus be sustained. The proposed system will replace harassment of tax payers by wholesome understanding. The proposal of the Finance Minister to establish automatic acceptance of tax returns is a heartening one. It's flaw, however, is its over-

cautious proviso. The return has to qualify for assessment on the basis of return if he declares income more than 10 per cent of declared income of the previous year. This proviso virtually nullifies the proposal. The Minister might have been advised excessive caution by the statusquo-loving conservatives. The fear of abuse of the proposed procedure should not result in the denial of its operation, particularly because abuse can be effectively dealt with by reopening doubtful cases for inquiry and penal assessment in cases of abuse. The latter course provides the most practical and effective remedy. Not a left-handed gift to the public. It is given and yet not given. If the Finance Minister wishes to remain cautious in the initial years of introduction let him modify the provision that all those cases where declared incomes are not lower than those of the previous year should be assessed on the basis of returns. Besides, the Minister may also keep the most revenue-productive company cases outside this procedure of assessment. That will extend the intended benefit to the bulk of the tax-payers and yet will not affect the level of tax proceeds. Make the procedure such that the Minister's intention is actually

made operational. Let it not die in its labour bed.

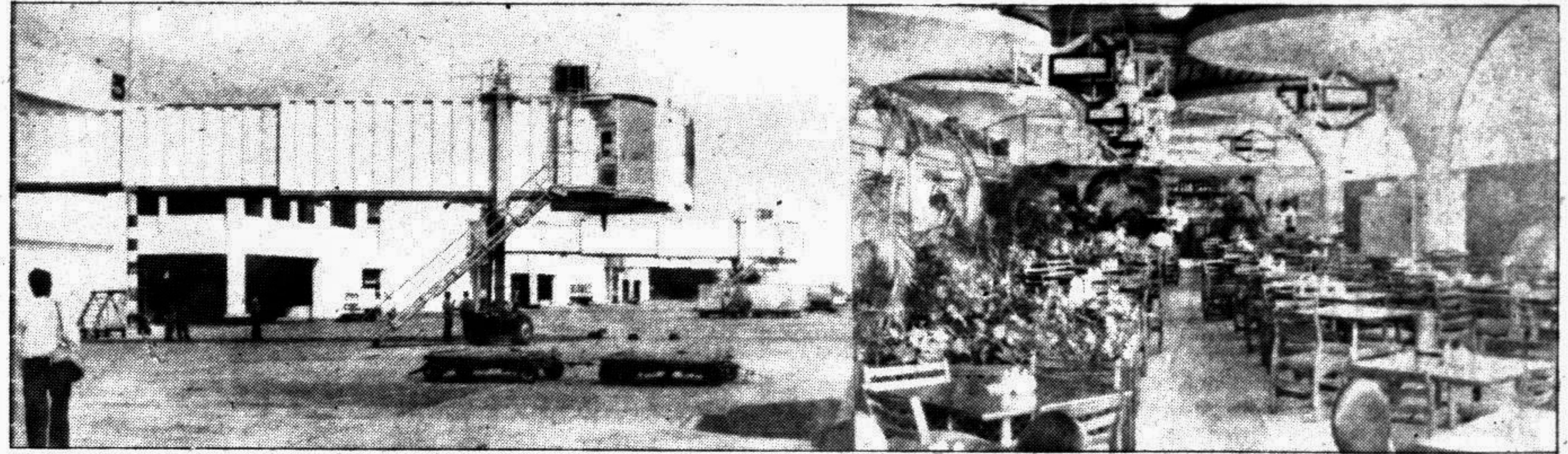
Some measures have been proposed in cases of self-assessment too. The random sampling for scrutiny as against the present practice of selecting as the assessing officer wishes should between them encourage tax-payers to take the opportunity of self-assessment. It is not so much the measures, which are nevertheless quite significant though of minor nature, but the initiative to pull the direct tax assessment system, so to say, from its present mummified state that deserves thanks. It remains where it was left by the colonial masters. The tax-procedures and the accompanying outlook of tax officers remain frozen. The merit of the Minister's proposals, in my judgement, lies in the spirit of movement and its intention to get going. We are on the right track. VAT has revolutionized tax earnings and can do a lot more. Direct tax instead of taking the lead has been lagging far behind. This must not continue. These two sets of measures are most definitely a step in the right direction. The barriers between the tax-payers and tax offices must go. These measures have the prospect of lowering them if not remove them altogether. One hopes

that these measures, if sincerely applied, will bring people close to tax offices. The proposed systems and procedures will take the heat out of the drive of the Taxation Department to widen the tax-net. Heartiest congratulations to the Finance Minister for these timely measures. He need not, however, be pessimistic that these measures will need to be reviewed for withdrawal provided his Department put their heart and soul for their success. They are and have to be the key players in any reforms — minor or major.

A word about appeal by the Tax Commissioner against the decision of the appellate authority. Tax offices may be flooding the Appellate Tribunal with appeals, most of them again may involve trivial sums. This is a paradoxical situation. Decisions, against which appeals are made by the Tax Department, are given by officers of the Tax Department. Turning almost all decisions over to the Tribunal has come to such a pass that the Finance Minister has proposed prior permission of the NBR before appeals are filed. This procedure will unduly centralise matters and inordinately delay decisions on settlement of tax assessment, besides clogging the NBR down to some trivial

matters.

The most practical way of handling this question is to leave the authority for appeal with the Commissioner with certain changes in management and procedures. All cases involving trivial sums may not be appealed against NBR can define that sum and put a stop to bulk of the cases appealed against, all cases of trivial nature. The second measure relates to a significant change in procedure. An aggrieved assessee can be given the option of making an appeal either to the Departmental appellate body or to the Appellate Tribunal. This is the case in many countries of the world including Great Britain. This procedure will ensure quicker settlement of cases, which is beneficial to the public exchequer. It will eliminate the forum from the view of the Commissioner to prefer appeal against an appellate decision. The independent and separate departmental appellate body is a new creation. In the past the Appellate Tribunal was the solitary independent and separate body. Now there are two bodies for appeal. The procedure of appeal has not yet been harmonised to the new development. Let an assessee make his appeal to either of the two appellate bodies. That will eliminate the cause for appeals by the Tax Department and save the Appellate Tribunal from unnecessary congestion of cases.



The construction work of the Boarding Bridge at the Zia International Airport has been completed (L) and a modern restaurant opened (R) for the convenience of passengers. Star photo