

NBR-chambers pre-budget consultation

Kibria hints at widening tax base, checking evasion

Finance Minister Shah AMS Kibria yesterday gave a broad outline of tax system for next fiscal year, widening tax base and plugging opportunity for tax evasion to mobilise more revenue for development, reports UNB.

Opening an NBR Consultative Committee meeting, he pointed out the weaknesses of the country's tax system and said the low tax-GNP ratio should be raised to make national development endeavours meaningful.

He said the government wants to reduce the burden of duty and tax further, but suggested that the prevailing trend of tax evasion be checked as it has become the main obstacle to development.

The government wants to take "bold steps" in line with "innovative measures" of India and Pakistan to realise taxes, the minister said and sought cooperation from the business community in this regard.

He mentioned that Bangladesh's tax-GNP ratio was 9.4 in 1994-95 fiscal year, which was very low compared to 9.6 in India, 13.2 in Pakistan and 17.4 in Sri Lanka.

Kibria said the rates of duties and taxes are coming down as a result of trade liberalisation, but the requirements of domestic resources are rising gradually due to increased financing needs for infrastructures and social sector.

"In such a context, we have to create a tax paying culture spontaneously to mobilise necessary revenue," the minister told the meeting at the Federation of Bangladesh Chambers of

Commerce and Industry (FBCCI). The National Board of Revenue (NBR) arranged the consultation with chamber bodies and trade associations to discuss the tax proposals recommended by them for the budget of 1997-98 fiscal year.

As many as 732 revenue proposals — 189 on duty, 190 on value added tax (VAT) and 353 on direct tax — were discussed in the day-long meeting.

Kibria identified the huge tax exemption, which includes the tax holiday for export industries, as a major weakness of the taxation system and said the long list of tax exemption has narrowed the tax base in the country.

He said the number of tax payers in Bangladesh was only 6.38 lakh in 1995-96 fiscal year, of which only 41,000 or 6.5 per cent paid tax on the basis of their income over Tk one lakh while 74,000 or 11.5 per cent on over Tk 80,000.

"You have assured me of co-operation to accelerate direct income tax, but I cannot be satisfied only on your verbal assurance," the finance minister said.

He said, "There are many chambers and trade associations in the districts and divisions across the country. But are all the people representing these bodies paying tax? If not, what are the reasons? Do they have the moral right to represent these bodies?"

Import duty was zero for 1549 HS code products out of the total 4374 items, he said while talking on tax exemptions.

Referring to collection of

VAT, introduced in 1991, the Finance Minister said the tax mode was yet to be expanded fully and a very small portion of wholesale and retail sale has been brought under VAT.

"The overall benefit of the tax mode would not be available until it is expanded to the wholesale and retail level," he said.

He said almost all the agricultural products and textile sector are out of the VAT-net while the cottage industry and some other products and services have been exempted from VAT. Moreover, the enterprises whose turnover is less than Tk 15 lakh only pay turnover tax at a rate of 2 per cent.

As a result of all these exemptions and facilities, he said, the VAT system has not yet developed as an ideal tax mode and the existing inconsistency would remain if the exemptions continue.

He said the government needs more resources to finance projects in education, health, construction, telecommunication and power sectors, but availability of foreign assistance is becoming tough with tougher conditions put by the donors.

Kibria said the high rates of taxes were once blamed for tax evasion but the situation did not improve even after the reduction of taxes and duties. He called for stopping the tax evasion trend.

The minister acknowledged that some local industries have been faced with crisis due to reduction of duty at an "unnecessary speed" in past years and said the government wants to

extend its hand of cooperation to them, but it is not possible to supply funds for implementation of those policies unless the revenue is increased.

Referring to pre-shipment inspection (PSI) facilities being "abused by a section of companies and businessmen", Kibria said the law would be reconsidered so that the government is not deprived of its due revenue and domestic industries get due protection.

He said the present government believes in free market economy and at the same time wants to give protection to domestic industry. "We will give protection keeping consistency with the trend of world trade."

The minister said scope for investing untaxed money has been created and called upon the entrepreneurs and industrialists to avail the "golden opportunity" in next three years from January 1997.

Addressing the meeting, FBCCI president Yusuf Abdullah Harun suggested different measures for increasing the revenue income and called for removing various complexities regarding payment of taxes and duties.

He criticised the "corruption, harassment and delay" by the NBR, and said if it fails to ensure transparency the business community cannot extend their hands of cooperation.

"NBR has become a competitor rather than a facilitator which will harm the NBR, the business community and the country as a whole," he said, calling for creating an environment so that the business community can cooperate with the NBR.

Peregrine Vietnam MD held

HANOI, Apr 15: Nguyen Trung Truc, Managing Director of Peregrine Capital Vietnam, was arrested on Monday, a Peregrine official in Ho Chi Minh City told AFP over telephone today.

The company official confirmed press reports that Truc had been arrested by Ho Chi Minh City Police, but gave no reason.

Truc's brother, Nguyen Vinh Quang, who was reached by AFP on Truc's mobile telephone number said: "He has been taken away. We cannot reach him at the moment."

Truc, a Vietnamese-born Australian, had been under investigation for income tax evasion and the illegal use of nominee companies since his office was raided last May.

Guatemalan unions say US code to combat sweatshop labour not tough enough

GUATEMALA CITY, Apr 15: Guatemalan unions who have complained of widespread abuses of workers' rights in clothing factories, said on Monday a US code of conduct designed to combat sweatshop labour was not tough enough, reports Reuters.

US President Bill Clinton on Monday threw his support behind the code, under which companies would agree to have independent auditors to monitor compliance with rules such as minimum wage, no child labour and a maximum 60-hour work week.

But union leaders in Guatemala, which has been under scrutiny by the United States for suspected violations of worker rights in textile assembly plants, feared the auditors would give their seal of approval too easily and not stand up for workers.

"This policy would cheat the working class, independent monitoring would work only if it were in consultation with workers, unionized and otherwise," said Julio Coj, of the Guatemalan Workers' Labour Union.

Malaysia will put 'spies' in govt department to check graft

KUALA LUMPUR, Apr 15: Malaysia will place "spies" in the police and immigration departments in an effort to check corruption, a junior minister said yesterday, reports AFP.

Deputy Home Minister Megat Juid Megat Ayub said the two departments had been identified as largely being involved in corruption.

"In this connection the ministry will appoint spies to keep tabs and the activities of the staff," he was quoted as saying by Bernama, the national news agency, in the northern state of Perak.

Megat Juid said the "spies" would report to the government's anti-corruption agency (ACA) anyone believed to be indulging in such activities.

Megat Juid said Prime Minister Mahathir Mohamad had stressed that graft was a social problem that must be contained for the country to scale greater heights of economic development.

Moscow third most expensive city for traders

MOSCOW, Apr 15: Moscow is the world's most expensive city for businessmen after Hong Kong and Tokyo, according to a survey published here by Interfax news agency, reports AFP.

The agency Runzheimer International compared the price of one night at an international hotel and the price of three meals at a restaurant in the world's major cities.

It found that an average stay would cost 474 US dollars in Hong Kong, 430 dollars in Tokyo and 380 dollars in Moscow.

S'pore FM for private sector role in promoting trade ties

The visiting Singapore Minister for Foreign Affairs and Law, Prof. S. Jayakumar, has said there are ample potentials which could be exploited by private sectors of his country and Bangladesh for mutual advantage, reports BSS.

Emphasising the role of private sector in promoting trade and economic relations, Jayakumar said directions would come from political leaders, but it is the private sector who would implement the initiatives.

Prof. Jayakumar was speaking at a reception accorded to him and members of his delegation by the federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at a city hotel Monday night.

The function was addressed by Foreign Minister Abdus Samad Azad, Finance Minister Shah AMS Kibria and President of FBCCI Yusuf Abdullah Harun.

Ministers, Members of Parliament, diplomats and leaders of business community attended the reception.

Prof. Jayakumar is the first cabinet minister of the Republic of Singapore to visit Bangladesh.

Attaching great importance to the visits of leaders like Prime Minister and Foreign Minister to another country, Jayakumar said such visit can set framework of relations between two states. "Personal contact and interaction cannot be replaced by any mode of technology," he added.

Jayakumar said in today's world size of a country is no impediment towards cooperation. What was needed is the desire of two peoples to work together to find common ground for mutually advantageous co-operation. The proposed quadrangle involving India, Nepal, Bhutan and Bangladesh.

Bhutan, India and Nepal seemed encouraging to Singapore he said adding this could open an window for Singaporean investors to explore.

The Singapore minister assured to continue to interact and give signal and arrange interaction between private sectors of both the countries.

Foreign Minister Abdus Samad Azad said Prof.

Tofael urges Spore Increase import from Bangladesh

Commerce and Industries Minister Tofael Ahmed has said the government created a very good environment for foreign investment in Bangladesh, says UNB.

The government has undertaken various pro-active initiatives in all the sectors related to investment, he said while talking to visiting Singaporean Minister for Foreign Affairs Prof. Jayakumar at a city hotel Monday.

"Investment is our priority and we are eager to have a group of potential investors from Singapore to invest in Bangladesh," he said.

Pointing to the trade imbalance between the two countries, the Minister said the Trade Development Board (TDB) of Singapore could take steps to increase import from Bangladesh and there was a plenty of opportunities.

Referring to the regional co-operations for mutual economic development, Tofael said, "We have decided to form South Asian Growth Quadrangle" involving India, Nepal, Bhutan and Bangladesh.

Jayakumar's visit will add a new chapter to our bilateral relations. He expressed the hope that as Bangladesh attains more stability and confidence under the leadership of Prime Minister Sheikh Hasina, there would be greater interest about us in the world leading to growth of the economy.

Azad was optimistic about Singapore becoming a partner to Bangladesh's economic development. "I am sure Singapore with its vast experience will extend cooperation to Bangladesh to grow," he added.

Describing Singapore as a model for Bangladesh, Finance Minister Shah AMS Kibria said, "we can learn a lot from this territorially small and economically mighty country." He said discipline, motivation and sense of direction which lifted Singapore so fast has to be emulated by Bangladesh to achieve our desired growth.

The Finance Minister narrated the opportunities Bangladesh offers for investors from countries like Singapore. There could be good combination of Singaporean monetary strength and wealth of experience with a vast trainable manpower in Bangladesh for mutually beneficial cooperation, he added. He said Singapore can come either for investment in joint venture projects in various fields and expressed the hope that Singaporean entrepreneurs would soon visit Bangladesh.

Yusuf Abdullah Harun said that the governments and private sector trade promotion organizations of both sides should initiate steps to facilitate interactions between the investors and businessmen of Bangladesh and Singapore to harness the opportunities that exist between them.

GrameenPhone lauded in US

NEW YORK, Apr 15: The daily Christian Science Monitor has welcomed the Grameen Bank's initiative to plug-in villages in Bangladesh with cellular phones, reports UNB.

In an editorial published Monday, the daily described the initiative to put at least one cellular phone in each of Bangladesh's 65,000 villages within six years "another good idea" from the Bank which already helped "uplift the poorest citizens of one of the world's least developed countries."

"For the village person responsible for the phone, it represents a living. For others, it means having a link from one village to another, and not having to rely exclusively on the notoriously unreliable government phone company," wrote the daily.

The initiative, led by the Grameen Bank and supported by phone companies from Japan, Norway and the US was launched last month.

The monitor noted that, having given the "poorest of the poor" an opportunity through its microloans, Grameen now wanted to help them take better advantage of it by staying connected.

The Boston-based daily, which is printed simultaneously in several US cities, also praised the Grameen's emphasis on aiding women. Through the Bank's initiative, Bangladesh women were able to obtain microloans (some as little as 50 US dollars) for enterprises such as weaving or the production and sale of milk, eggs, or vegetables.

"The idea took hold and has been replicated in many countries," the daily said.



Expeditors' Executive in city

Senior Vice-President of Expeditors' Cargo Management System (ECMS), Larry Wu, is in the city to discuss promotion of the company's business in Bangladesh, reports UNB.

During his four-day visit, Wu will meet business associates and leaders, said a press release. Expeditors is one of the largest US based global logistics company having its own offices in 120 countries including Bangladesh.

Bank holiday

Bangladesh Bank and all other schedule banks of the country will remain closed on April 17, 18 and 19 on account of Eid-Ul-Azha, says a bank official, reports BSS.

Eid-Ul-Azha will be celebrated in the country on April 18.



The 12th annual general meeting and 4th extra-ordinary general meeting of Industrial Development Leasing Company of Bangladesh was held at Sonargaon Hotel on Sunday.

Indian budget faces fresh trouble

NEW DELHI, Apr 15: India's reform tax-cutting budget faced fresh trouble yesterday when a communist partner in the ousted coalition challenged the caretaker govt's right to pass it in parliament, reports AFP.

The communist party of India-Marxist (CPI-M) said the United Front, which was voted out Friday and holds office in a caretaker capacity, had no constitutional authority to pass the budget for the year to March 1998.

"Once the government is ousted, then its budget proposals become defunct," Ashok Mitra, a senior CPI-M member said.

President Shankar Dayal Sharma should ask the government to instead approve a vote-on-account.

Mosharaf tells workshop Govt to frame national land use policy

A comprehensive national land use policy would be formulated by the government to ensure optimum utilisation of land, State Minister for Land Rashed Mosharaf said here yesterday, says BSS.

Initiating a one-day workshop on "land use issues and policies" the state minister said the policy would also cover reclamation of unutilised or degraded land for more economic use and at the same time improve land for the future generation.

Mosharaf said under the national land policy a land use master plan would be prepared to ensure proper use management and conservation of land in context of ever growing population pressure on the scarce fertile agricultural land.

He said both the national

land use policy and the master plan should be pro-people, pro-environment, pro-employment and pro-women. He urged upon the concerned experts to give proper suggestions in this regard.

Organised by the Ministry of Land at the Land Administration Training Centre, the objective of the workshop was to get guideline to prepare a comprehensive master plan of land use, land management and land conservation policy and planning for Bangladesh.

Presided over by the Land Secretary Syed Marghubur Mashed, the inaugural session of the workshop was also addressed by Deputy Chief of the Land Ministry AKM Ahmed Ullah Bhuiyan and Director of the Training Centre M Shaheeb Ali Mridha.

Pakistan's business community wants trade with India

KARACHI, Apr 15: The resumption of talks between archrivals India and Pakistan is making waves in the Pakistani business community, which supports expanding trade with India provided New Delhi opens its markets, industry representatives say, reports AFP.

A major concern here is governmental "protection" of Indian industry. Pakistani trade leaders say, contending that India restricts imports of a large number of items.

"There has to be level playing field before liberalising trade," said a business leader here.

Business circles here welcomed the resumption of political dialogue between Pakistan and India, whose foreign secretaries met in New Delhi last month and agreed to hold a second session in Islamabad in May.

Annual trade through formal channels between the two countries is estimated at 100 million dollars, including Indian exports worth 60 million dollars. But trade through third countries or through smuggling is estimated in the billions of dollars.

Liberalisation — in Pakistan as well as India — was "the need of the hour," said Faisal Yousuf Zia, a former vice president of the Federation of Pakistan Chamber of Commerce and Industry.

He noted that Pakistan could get raw materials at half of the prices it now pays to other countries. But he also suggested some local businesses needed protection from foreign competition.

"After all we should not import television sets or refrigerators which are locally produced," he said.

settlement of the explosive Kashmir dispute.

Kashmir, split between the two countries, has caused two of the three wars between them since their 1947 independence.

But others, including Senator Khawja Qutbuddin, said confidence building measures like trade, travel and tourism should be taken up pending resolution of political problems between the two countries.

Hailing the revival of dialogue between the two countries, Qutbuddin, a leading trader, said greater people-to-people contacts would help generate the right atmosphere for tackling serious political issues.

Pakistan exports to India ten items including fruits, vegetables, dry fruits, raw cotton, cotton and synthetic fabrics and wool.

India exports to Pakistan 14 items including iron ore, paints, soybean oil, chemicals, pharmaceuticals, spices and basic metals under formal trade to its neighbour.



State Minister for Information Prof. Abu Sayeed seen inaugurating the Sunbeam Audio Cassettes and Polarice Brand Natural Mineral Water Project at Shyampur-Kadamtali Industrial Area near Dhaka recently. M Nesar Uddin, Managing Director of Sunbeam Group of Industries, C M Alam, Managing Director of IPDC and Sayem Ahmed, Marketing Manager, also seen in the picture.

Exchange Rates

The following are the Janata Bank's dealing rate (BD Tk for one unit of Foreign Currency) to public as on 15/04/97:

	Buying		
	TT Clean	OD Sight Bills	OD Export Transfer
US Dlr	43.5200	43.3522	43.2386
GB Pnd	70.1839	69.8969	69.7136
D Mark	24.9726	24.8705	24.8053
F Franc	7.4263	7.3959	7.3765
JP Yen	0.3425	0.3411	0.3402
C Dlr	30.9446	30.8180	30.7372
S Franc	29.3727	29.2526	29.1759

Name of Currency	Selling	
	T.T. & O.D.	B.C.
US Dollar	43.8120	43.8650
GB Pound	71.2031	71.2842
D Mark	25.3893	25.4182
F Franc	7.5506	7.5592
JP Yen	0.3505	0.3509
C Dollar	31.4631	31.4988
Franc	29.8744	29.9084

Janata Bank's selling and buying rates in cash currency for public:

	Selling	Buying
US Dlr	43.9000	43.4000
GBP	69.9500	67.9500
S Riyal	11.8000	11.4500
UAE Dh	11.8500	11.3500
Ku Dinar	143.5000	138.0000

Clinton's family income tops \$ 1m

WASHINGTON, Apr 15: President Clinton's family income soared above 1 million dollars last year, largely because of royalties from Hillary Rodham Clinton's book which are being donated to charity. They paid 199,791 dollars in federal income taxes, says AP.

The Clintons reported 1,065, 101 dollars in adjusted gross income, of which 200,000 dollars was the president's salary. Royalties from Mrs. Clinton's book, "It Takes a Village," totaled 742,852 dollars.

It was the first time the Clintons had income above the 1 million dollars mark — although they are giving most of the money away. Their combined taxes almost totaled the salary Clinton receives as president.

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Coming AGMs

Company	Book Closure	AGM/EGM	Date	Venue & Time	Dividend Proposed
BTC	03/04/97-28/04/97	AGM	—	—	30
ULC	02/04/97-29/04/97	AGM	29/04/97	Hotel Sonargaon, 3 pm	22
DLC	05/04/97-13/04/97	AGM	13/04/97	Hotel Sonargaon, 10 am	35 18.1
DLC	—	EGM	Do	—Do— 9:30am	—
Rack & Colman	19/04/97-08/05/97	AGM	08/05/97	—	35
Azz Pipes	31/03/97-02/04/97	AGM	—	—	18.2
Beri Int'l (Deb)	10/04/97-30/04/97	—	—	(Interest for 6th instalment)	(R1 (Pre Tk 550)
Modern Ind	22/04/97-04/05/97	AGM	04/05/97	Hotel Purani, 3:30pm	7 (F)
Delta Life Ins	—	EGM	24/05/97	Hotel Purani, 10am	—
Alpha Tobacco	01/04/97-07/04/97	AGM	07/04/97	Factory Premises Singa, Jessore, 11am	—
United Ins	23/04/97-13/05/97	AGM	13/05/97	Hotel Sonargaon, 4pm	—
Al Baraka Bank	15/04/97-28/04/97	AGM	28/04/97	Hotel Sheraton, 3:30pm	—
Phoenix Ins	—	—	—	—	30
NTC	19/04/97-07/05/97	AGM	03/05/97	Hotel Sheraton, 3pm	14
Monro Ceramic	24/04/97-07/05/97	AGM	07/05/97	Factory Compound Dhamrai, Dhaka, 9am	30

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 15.4.97

Berth No	Name of vessels	Cargo	L. port	Local agent	Date of arrival	Leaving
J/1	ZhengYang	GI	Sing	Prog	9/4	20/4
J/3	Hua Zhong	Wheat(G)	Card	OWSL	23/3	17/4