

Unscrupulous importers try to get CP for 150 banned vehicles

UNB, Dhaka

A section of unscrupulous importers are trying to get clearance permit (CP) for some 150 import-banned vehicles to be unloaded at the Chittagong port.

Officials at the National Board of Revenue smelt a rat when they received a letter from Chittagong customs house seeking the CP while a national committee had suggested an auction to sell out the import-banned vehicles.

Sources said some 150 import-banned trucks, buses, vans, pick-ups and cars are now waiting at the Chittagong port to be unloaded.

They were manufactured in Japan, but imported from Singapore.

These vehicles are 10 years old while the government policy doesn't permit import of vehicles older than five years.

The Chittagong customs house said the original chassis numbers of the vehicles were replaced by false ones to show that import of those are permissible. It said Tk five crore can be realised as customs by releasing the vehicles.

The committee formed to find the way for selling out import-banned vehicles and clearing the port in its first meeting on April 21 suggested an auction.

The committee comprises of Chairman, Chittagong Port Authority Commissioner of Customs and Controller of Import and Export.

The committee decided that vehicles older than five years but not exceeding 10 years could be sold out through auction with its approval.

But the Chittagong Customs told the NBR that it would take long time to release all the vehicles.

Commerce minister leaves for Berlin

UNB, Dhaka

Commerce Minister Amir Khosru Mahmud Chowdhury left here for Berlin Tuesday night to attend a high profile international policy dialogue.

World Trade Organisation (WTO) and the German government have jointly organised the two-day dialogue.

Khosru will speak on 'rule issue' in the dialogue titled "The Development Dimensions of World Trade: Implementing the Doha Development Agenda" beginning today (Thursday).

He will call upon the developed countries and multinational organisations to increase their cooperation to the least developed countries in facing the challenges of globalisation.

WTO Director General Mike Moore, high officials of EC Trade Commission, UNCTAD, commerce ministers from Germany, Kenya, Pakistan, Egypt, Uganda, Chili, Mexico, Spain, Senegal, Malaysia, Indonesia, Mauritius, El Salvador, South Africa, Lesotho, Venezuela and Singapore and representatives of some countries including the US will participate in the dialogue.

The minister will return home on Sunday.

Sri Lanka wants more economic ties with India

REUTERS, Colombo

Sri Lanka said Tuesday it was keen to boost economic ties with India, and that it had reached an agreement with its giant neighbour to explore ways of encouraging increased investment in the war-torn island.

"The new government of Sri Lanka is taking all possible steps to strengthen co-operation between Sri Lanka and India in a multifaceted form," Sri Lanka's Minister for Economic Reform, Milinda Moragoda, said in a statement.

The statement came as Sri Lankan President Chandrika Kumaratunga, whose People's Alliance party was defeated by the United National Party in parliamentary elections last December, is in India for a week-long visit.

Moragoda said the increased ties were discussed with Indian Finance Minister Yashwant Sinha during a weekend meeting at the International Monetary Fund summit in Washington.

The statement said the ministers had "agreed to pursue further ways of encouraging Indian investment in Sri Lanka."

India also agreed to extend concessionary terms for the remaining part of a \$100 million loan, the statement said without giving further details.

Real estate entrepreneurs lambaste tax officials

Allegation of harassment in name of VAT realisation

STAR BUSINESS REPORT

Leaders of Real Estate & Housing Association of Bangladesh (REHAB) yesterday alleged a section of dishonest tax officials have resorted to harassing real estate companies in the name of VAT collection.

Terming the present VAT collection rule for the business very non-transparent, they said there should be a rule that a buyer will have to pay VAT when an apartment is handed over to him or her.

It should not be on the basis of confirmation of apartment booking or first installment, they said.

"But the tax officials want the real estate business owners to pay VAT at the date of booking or paying of first installment," said Toufiq M Seraj, President of REHAB, at a press conference at the National Press Club in the city.

"Some VAT officials recently raided a number of leading real estate companies without prior notice and seized documents, although National

Board of Revenue (NBR) at a meeting with REHAB members early this month agreed in principle to stop such harassment."

If these officials continue harassment, REHAB members will be compelled to take legal action and stop paying VAT until the problem is solved, he warned.

Besides, real estate companies sometimes provide up to 20 per cent discount to the buyers, but tax officials do not want to understand this and put pressure on companies for paying VAT on value mentioned in the prospectus, he went on.

The buyers have to pay around 30 per cent of the value of apartment as registration, transfer and VAT to the government exchequer. Due to high charges hundreds of apartments have not been registered and there are as high as 1500 apartments remain unregistered only in Gulshan and Baridhara areas, Seraj mentioned.

Moreover, tax officials instead of addressing existing problems are taking some wrong steps

including issuing notices to WASA, Titas Gas and DESA to disconnect lines from project sites in order to realise VAT, the REHAB president said.

"If there is no gas, water or electricity line why people would buy apartment. People buy apartments only after completion of the projects. If we cannot provide complete apartments, why they will buy?" he questioned.

Referring to the present scenario of real estate business, Seraj said the number of apartment delivery two years back was around 2000 to 2500 but due to economic slowdown the number has come down at about 1000 a year for which the amount of VAT has declined sharply.

The REHAB president said it is not possible for a sector to grow without a secondary market. Presently there is no resale value of apartment because of high transfer charges. "If a person buys an apartment today and he wants to sell it after a year, he would definitely incur several lakh taka loss," he added.

DCCI suggests countervailing duty to stave off cheap imports

Chamber releases 2002-'03 budget proposal

STAR BUSINESS REPORT

The Dhaka Chamber of Commerce and Industry (DCCI) has suggested imposition of countervailing duty to stave off cheap imports.

In its budget proposal for the fiscal 2002-2003, the chamber said such measures have become necessary as foreign goods have been flooding the market, taking advantage of liberal policy.

The DCCI has also recommended introduction of an effective surveillance system to strictly curb smuggling. The DCCI pointed out that smuggling is exposing Bangladeshi companies to uneven competition.

"Otherwise, the government will not only incur loss of revenue, but the local industries will also become non-profitable," the DCCI said. It suggested that the difference of duty between imported products and imported raw materials should be at least 30 per cent to protect local industries.

The DCCI yesterday released a

summary of its proposals for the next budget at a press conference in the city. DCCI President Matur Rahman hoped that the new government will seriously consider the proposal of the chamber.

The DCCI also sought a fund of at least Tk 2,000 crore to set up backward linkage industries for the readymade garment sector.

"In the absence of backward linkage industries, export earnings from the RMG sector will shrink, hitting the balance of payment," the DCCI said in its proposal.

Fearing stiff competition with the elimination of Multi Fibre Arrangement (MFA) by 2004, the DCCI also observed that the country needs massive investment in backward linkage industries to cope with the post-MFA situation.

The DCCI came up with 187 recommendations, of which 42 are income tax related, 78 duty related and 45 VAT related. The budget proposal has already been sent to the National Board of Revenue (NBR) and the Federation of

Bangladesh Chambers of Commerce and Industries (FBCCI).

The chamber also suggested withdrawal of existing three per cent of development surcharge and existing supplementary duty at the production level. It also demanded of the government to withdraw the provision of tax cut on royalty and technical know how fees.

The chamber has also urged government to take necessary steps to improve the law and order situation to help create industry and commerce friendly environment. The DCCI also feels that infrastructure development should get maximum priority from the government.

The DCCI sought reduction of interest rate to five per cent for trust sector loans and seven per cent for other industries. The next budget should focus on growth of agro-based industries, the chamber said.

The DCCI also, in its budget proposal, recommended amendment to Income Tax Rules 1984 and Tax Law 1969, besides reduction in subsidy in public sector enterprises.

FBCCI seeks Japan's support for ICT growth

UNB, Dhaka

FBCCI president Yussuf Abdullah Harun yesterday sought Japanese cooperation to produce skilled manpower in Information and Communication Technology (ICT) sector.

The request was made at a workshop at the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) as participants identified the lack of quality ICT education as one of the main hurdles to flourish ICT in the country.

A delegation from Japan International Cooperation Agency (JICA) joined the workshop on "Growth of Internet and Potential of ICT in Bangladesh" while local ICT entrepreneurs and business leaders took part in the discussion.

Harun urged JICA to take the initiative in arranging necessary training courses for Bangladeshi people in Japan to help develop the ICT sector in Bangladesh.

He listed the bottlenecks against the growth of internet service as the lack of sufficient infrastructure and investment, and intellectual property rights, licencing issue and cyber laws.

Harun suggested formulation of new regulations and laws on internet service and initiatives for self-regulation in ICT from private sector and increased cooperation from foreign companies for more internet access.

Participants representing diploma computer education providers blamed poor basic knowledge of the students for being unable to produce qualified ICT personnel as they came under criticism at the workshop for their failure to produce good programmers.

They suggested arrangements for e-transactions to support e-commerce through legalising electronic signature.

JICA team leader Fuse Makoto referred to examples of interest in ICT use in the rural area as he visited a Grameen Kiosk in a village where rural people were exchanging e-mails.

"This is the evidence of ICT use in rural Bangladesh," he said, stressing the need for ICT infrastructure development in the rural areas.

Internet Service Providers Association of Bangladesh (ISPAB) president and FBCCI director Mohammad Akhtaruzzaman Monju moderated the workshop while ISPAB secretary general Ershad Shafi Chowdhury presented the keynote paper.

S'pore beats out HK as best Asian business place

AP, Hong Kong

Singapore has edged out Hong Kong as Asia's best place to do business, a prominent think tank said Wednesday.

Hong Kong held the top spot from 1997-2001 in the reports by the Economist Intelligence Unit -- but has now slipped because of adverse political trends, a labour force ill-suited for high-skilled jobs, and rising budget deficit and competition from mainland China.

The think tank predicted Hong Kong's business environment will decline from 2002-2006, although conditions for doing business here will still be "very good" and Singapore will only hold a slight lead.



Rajive Kaul, Chairman of Nicco Corporation Ltd, India, speaks at a function organised in the city Tuesday to mark the signing of a syndicated financing agreement for the construction of an amusement park at Savar.

Indo-Bangla joint venture project Savar to have amusement park by year-end

STAR BUSINESS REPORT

A Bangladesh-India joint venture is going to present the city dwellers with a new amusement park by the end of this year.

The theme park -- Nandan Park - will be established on a 60-higha land at Barol Para in Savar.

Nandan Park officials said it will be the largest theme park in the country. "Besides, this is the first joint venture initiative in this sector," Chairman and Chief Executive Officer of the park Mashrur Chowdhury said on Tuesday evening.

He was speaking at the signing ceremony of a syndicated loan agreement for the Nandan Park Ltd at a city hotel.

Prime Finance & Investment Ltd, Uttara Finance and Investments Ltd, Bay Leasing & Investment Ltd, Bangladesh Industrial Finance Company Ltd and Prime Bank Ltd are participating in the syndicated loan arranged by Industrial Development Leasing Company of

Bangladesh (IDLC).

"The park is eyeing the middle class people, so the entry fees and other expenses will be kept within reach of the group," Chowdhury said.

Indian company Nicco Corporation is the foreign partner of the new venture while Industrial Development Leasing Company of Bangladesh Ltd (IDLC) will be the local partner.

Among others, Rajive Kaul, Chairman of Nicco Corporation Ltd, and Minhaz Zia, Head of Corporate Finance and Merchant Banking of IDLC, spoke on the occasion.

Nandan Park officials said the project will be developed gradually in several phases. The first phase of the park will cost Tk 20 crore.

In the first phase, rides like roller coaster, tilt-a-whirl and water coaster will be installed.

The park will also offer caterpillar, mini train, toy-shop and battery car, especially for children, besides cable car, bumper boat and circular train, officials said.

Arrangements will also be there for food, telephone booths, souvenir shops, in addition to a parking lot for 500 cars. Special bus facilities will also be there for carrying people to and from Dhaka city.

The park will also have a small zoo in the next phases, said the officials, who expect 12 to 15 lakh visitors a year.

Mashrur Chowdhury, Chairman and CEO of the park, Syed Belal Ahmed, MD of the park, Rajive Kaul of Nico Corporation Ltd., Syed Naser Bakhtear Ahmed, MD of Prime Bank Ltd., M Aminul Islam, MD of the IDLC, Sayyed Hussain Jamal, MD of Uttara Finance and Investment Ltd., Tapan K. Poddar, MD of Prime Finance and Investment Ltd., Azadur Rahman Khan, MD of Bay Leasing and Investment Ltd, Khalilur Rahman, MD of Bangladesh Industrial Finance Company Ltd, and Minhaz Zia of IDCL signed the syndicated financing agreement on behalf of their organisations for the construction of the park.



Matur Rahman, President of The Dhaka Chamber of Commerce & Industry (DCCI), speaks at a pre-budget press conference organised by the chamber at its auditorium yesterday. Former presidents of DCCI M Yunus (L) and Benajir Ahmed (2nd-L) and DCCI Director Manzur-ur-Rahman are also seen.

Asian recovery, Afghanistan to dominate annual ADB talks

AFP, Manila

Sustaining economic recovery with an assault on poverty in Asia and rebuilding war-ravaged Afghanistan are the main issues at an upcoming Asian Development Bank's meeting, the bank's chief said.

Some 3,000 delegates will attend the 35th annual meeting of ADB's board of governors in Shanghai from May 10 to 12.

ADB President Tadao Chino said the meeting among 60 member countries would help track the region's economic outlook which could be clouded by oil price increases following the Middle East conflict.

"A major challenge now is to bring back Asian economies on a steady and sustainable growth path" after a four-year turmoil following the Asian financial crisis in 1997, Chino told AFP in an interview ahead of the meeting.

The Manila-based ADB is forecasting that developing Asia would

achieve an average growth of 4.8 per cent in 2002 and 5.8 per cent in 2003 after posting 3.7 per cent in 2001, he said.

Chino said gradual recovery in global trade and moderate improvement in capital flows to Asia and strong domestic demand in many developing nations would support the region's economies.

He said the strengthening of the US economy should brighten the outlook for other economies worldwide, including the Euro area and Japan, he said.

"However there are concerns," he warned. "One concern for developing Asia is the oil price (and its associated effects). The destructive events in the Middle East could cause oil markets to send the price higher."

ADB is also concerned about the pace of structural reforms in Asia, given the increased global competition in traditional export markets.

"The expected pick-up in economic growth should not slow down

the pace of structural reforms which could inhibit domestic demand and productivity growth," he said.

Asked whether Japan would drag down Asian growth, Chino said he expected the world's second largest economy to improve in 2002.

"Given the global economic recovery and expected progress in structural reforms in Japan, Japan's growth is predicted to show a positive growth in 2003," he said.

Chino said the ADB's meeting venue was appropriate as it would enable the other Asian economies to look into "the secret" of China's rapid growth as well as the challenges it faced with the entry into the World Trade Organisation (WTO).

"China has been demonstrating remarkable development. In 2001, when many countries experienced economic slowdown China has maintained robust growth and Shanghai in particular showed GDP growth of 10.2 per cent," he said.



Picture shows Syed Anisul Huq, Managing Director of Bank Asia, with the participants and speakers at the inaugural ceremony of the bank's third foundation course. Senior executives of the bank were also present.

China to open up \$1.5t market in 5 years: Vice-president

AFP, Kuala Lumpur

Vice President Hu Jintao sought Wednesday to allay Asia's fears of China's growing economic might and vowed Beijing would oppose the "bullying" of weak nations by super-powers.

Hu, widely tipped to be China's next leader, said China's entry into the World Trade Organisation (WTO) would open up trade opportunities worth at least 1.5 trillion dollars in the next five years.

He urged Asia not to view China as a competitor but as a "positive force" to forge an economically stronger and stable region.

"In the next five years, a more open China will provide its trading partners with opportunities of at least 1.5 trillion dollars worth of goods," Hu said in a special address at a public forum here.

"As China accelerates the implementation of its 'go global' strategy, it will increase its investment in other Asian countries," he said.

Hu said Asia must "strengthen solidarity and cooperation and secure a steady and sustained development."

"China's development would be impossible without Asia, and Asia's prosperity without China," he added.

The Chinese leader, accompanied by a 65-member delegation, arrived here Tuesday for a four-day visit in the first leg of a three-nation tour that will also take him to the United States.

Hu, whose beliefs are little known, despite being groomed for the top job in the world's most populous nation, said China opposed big nations bullying the small and would retain an independent foreign policy.

"It opposes the strong lording it over the weak and the big bullying the small and has long pledged not to seek hegemony, not to join any military bloc and not to pursue its own spheres of influence," he said.

"Big countries should respect the interests of the small and medium-sized Asian countries, treat them as

equals and act constructively for Asia's stability and prosperity."

Hu visited the Petronas Twin Towers, the world's tallest towers, before holding separate talks with Prime Minister Mahathir Mohamad and his deputy Abdullah Ahmad Badawi at the Putrajaya administrative centre.

Abdullah told reporters that Hu and Mahathir discussed bilateral and international issues, including the Middle East conflict.

He described his Chinese counterpart as a "very calm, steady and knowledgeable" person, saying: "All the issues are at his fingertips."

Abdullah said Hu supported Malaysia's proposal to formalise cooperation between the Association of Southeast Asian Nations (ASEAN) and Japan, China and South Korea, and to call it the "EastAsia Summit."