

Shop registration to complete this month

VAT collection through participatory system to start in full swing

STAR BUSINESS REPORT

With a view to increasing collection of value added tax (VAT) from shop owners under 'participatory system', a new arrangement prescribed by the business community, the registration of shops will be completed by this month.

This was informed at a review meeting yesterday attended by Finance Minister M Saifur Rahman, Finance Secretary Zakir Ahmed Khan, National Board of Revenue (NBR) Chairman Khairuzzaman Chowdhury and business leaders.

Talking to journalists after the meeting, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Abdul Awal Mintoo

said the new system would help increase VAT collection from shops.

The business community is supervising the registration of shops with the help of officials from the tax administration. "We have already completed registration of 95 per cent of the shops throughout the country," Mintoo said.

Under the participatory system, which has partly been introduced at different levels, all shops will come under registration process.

The shops under city corporations will have to pay a minimum VAT of Tk 4,200 annually.

The shops at district level will pay Tk 3,000 while at upazila level it will be Tk 2,000 for each shop.

Under the system, the representatives of shop owners in consulta-

tion with the NBR officials will fix the amount of VAT on case to case basis with a view to check harassment on shop owners by tax officials.

Once the amount is fixed, the individual shop owners will pay the agreed tax to NBR and obtain a certificate which will be put on display at the shops. This will prevent them from further VAT claims by NBR inspectors.

As FBCCI had long been pursuing the system to ensure hassle-free VAT collection, the government had introduced it at different city levels a couple of years ago.

At the meeting Finance Minister M Saifur Rahman said the government is contemplating to introduce coupon system against VAT pay-

ment and hold lottery to award attractive prizes for encouraging VAT payment. Such a system exists in Taiwan and South Korea.

"This is now in the planning stage. The government will inform everything about the system after formulating a structure for it," Saifur told journalists after the meet.

The FBCCI president said annual sales at shops are amounting to around Tk 35,000 crore and the government should get at least Tk 600 crore in VAT under the system.

"But the realisation from this head was only Tk 42 crore in the last fiscal year," he said adding that the system should generate around Tk 300 crore this year.

Jobs to get tougher in Malaysia

MoU on manpower export soon

REZAUL KARIM

Aiming to make the process of manpower export to Malaysia smooth and corruption free, the government is going to sign a memorandum of understanding (MoU) with the East Asian country soon.

However, the government has accepted some tough conditions set by the Malaysian government and the cabinet approved a draft of the MoU with minor amendments on September 22, sources said.

Manpower export to Malaysia will resume after signing of the MoU expected to take place during the upcoming visit of Malaysian minister for human resources. The schedule for the visit is yet to be finalised.

Malaysia had stopped importing manpower from Bangladesh in 1996 due to irregularities of recruiting agencies, harassment on job seekers and some social problems within the East Asian country.

However, the ban was lifted in July this year following hectic efforts by a number of ministers. The prime

minister also requested her Malaysian counterpart to resume manpower import from Bangladesh.

Sources said the strict conditions set by Malaysian authorities were accepted with a view to halting irregularities and corruption, harassment and exploitation of workers and curbing social problems in Malaysia.

The Malaysian government prepared the draft of the MoU and the Bangladesh side approved it with minor amendments considering importance of retaining Bangladesh's manpower market in Malaysia.

According to the draft, Bangladeshi workers will have to be 18-40 years of age and able to communicate either in Malay or English language to get a job there.

Malaysian employers will keep the passports of Bangladeshi workers and submit them to Bangladesh High Commission in Kuala Lumpur if any worker escapes from the workplace.

Besides, the draft said, a Bangladeshi worker will lose job instantly if he or she weds any

Malaysian citizen.

The employers will meet the levy, visa processing fee and other expenses of the workers but the money will be deducted later from their monthly salaries.

However, the draft suggested Bangladeshi workers and Malaysian citizens engaged in similar types of job would get equal wages.

The employers will have to arrange medical check-up of the workers every year and bear the costs of their travel to workplaces from airports.

Sources said the government is taking necessary steps to remove sufferings of workers, ensure accountability of recruiting agencies and simplify the entire process of manpower export to Malaysia.

Malaysia had taken some 3 lakh workers from Bangladesh from 1986 to 1996. The Malaysian government recently agreed to give extension to some 1,13,000 Bangladeshi workers overstay there.

Repo auction

UNB, Dhaka

The Repo auction of Bangladesh Bank (BB) for commercial banks and financial institutions was held here yesterday.

Twelve bids of four-day tenor amounting to Tk 330.80 crores and two bids of seven-day tenor amounting to Tk 51.00 crores were received.

Of them, twelve bids of four-day tenor amounting to 262.05 crores and two bids of seven-day tenor amounting to Tk 51.00 crores were accepted.

The rates of interest against the accepted bids of four-day and seven-day tenor ranged from 4.75 per cent to 4.50 per cent and 5.25 per cent to 5.00 per cent per annum respectively, said a BB release.

IMF approves \$493m loan for Indonesia

AFP, Jakarta

The International Monetary Fund (IMF) has completed its 10th review of Indonesia's performance under a 5.2 billion-dollar extended fund facility arrangement and approved the release of a further 493 million dollar loan.

The new disbursement will increase the total amount drawn under the arrangement to 4.7 billion dollars, the Washington-based organisation said in a statement released on Wednesday.

"Indonesia's economic performance has continued to evolve favourably under the Fund-supported programme, with a sustained economic recovery, a continued easing of inflation, and a further increase in external reserves," said Anne Krueger, IMF first deputy managing director and acting chairperson.

"These favourable developments have bolstered financial market sentiment toward Indonesia, and have further reduced the economy's vulnerability to external shocks," she said in the statement.

Dollar slides further against yen

AFP, London

The dollar slid further on Thursday, particularly against the yen, with even a burst of what appeared to be intervention in the markets by Japanese authorities doing little to arrest the decline.

The single European currency stood at 1.1844 dollars against 1.1804 late on Wednesday in New York.

The dollar traded at 109.07 yen compared with 109.60 on Wednesday.

The yen even briefly headed into 108-to-the-dollar territory for the first time since November 2000, hitting 108.85 just after 0730 GMT.

However it then swiftly fell back to the 109 yen mark, leading traders in Tokyo to presume that the Bank of Japan (BoJ) had intervened to rein in the currency's surge.



Commerce Minister Amir Khosru Mahmud Chowdhury visits a stall at the four-day Thai Grand Fair at Baridhara in Dhaka yesterday after inauguration.

Thai fair pulls huge crowd

STAR BUSINESS REPORT

Visitors thronged to see the variety of products displayed in the Thai Grand Fair that got underway in the capital yesterday.

The fair organised to promote Thai goods and services in Bangladesh pulled a large number of buyers and traders.

Commerce Minister Amir Khosru Mahmud Chowdhury while inaugurating the four-day fair urged the Thai businesspeople to invest more in Bangladesh.

Thai Ambassador in Dhaka Prithak Phrombubpha was present at the opening function.

Royal Thai Embassy in Dhaka organised the fair at 'Udhayan Thai' in Baridhara diplomatic zone in collaboration with Lactasoy Company, Novo Cargo Services, Rop Communications, Saint Louis Hospital and Thai Airways International.

The organisers arranged a buyers-sellers meet on the opening day to help them establish business contact after seeing the standard of

Thai products showcased in the exposition.

A total of 70 stalls have been opened in the fair to display consumer goods, kitchenware, stationary, handicrafts, household electrical appliances, auto spare parts, fresh fruits and vegetables, cosmetics, food and beverage, jewellery and ladies ornaments.

Several Thai companies are also taking part in the show with education, health, beauty and medical services, cargo transportation and tourism.

Speaking at the inaugural ceremony, the commerce minister said Bangladeshi businessmen and manufacturers could gain knowledge from the Thai products and use the experience in their own production process.

He urged the Thai businesspeople to invest in Bangladesh and take the opportunity of Bangladesh's free market access to countries like Canada, Australia and Japan.

Ambassador Phrombubpha said the aim of the exposition is to pro-

mote mainly the agricultural products, auto parts and services of Thailand.

He said the Thai government has given duty-free access to 50 Bangladeshi items to enter Thai market in order to reduce the huge trade gap between the two countries. At present, the bilateral trade is heavily tilted in favour of Thailand.

The show will remain open for visitors from 9am to 9pm everyday till Sunday.

A heart specialist from Saint Louis Hospital of Thailand is providing free medical consultation to the visitors from 9am to 5pm at the fair venue.

Local Thai restaurants are holding demonstrations on Thai cooking from 5pm to 6pm while a cultural troupe from Thailand is performing traditional Thai music every evening from 7pm to 8pm at fair place.

IMF DMD due in Dhaka Tuesday

UNB, Dhaka

Shigemitsu Sugisaki, deputy managing director of International Monetary Fund (IMF), will arrive here on October 14 (Tuesday) on an official visit to Bangladesh.

The main purpose of his visit is to get a first-hand view on the initial success Bangladesh has achieved in stabilising and reforming the economy.

During his stay, Sugisaki will call on Prime Minister Khaleda Zia and Finance and Planning Minister M Saifur Rahman.

He will also meet with the leader of the opposition and Awami League President Sheikh Hasina.

The IMF DMD will also discuss with senior government officials the key elements in the remaining reform agenda needed to boost economic growth and for job creation on a sustainable basis.

Sri Lanka seeks to borrow \$3.3b in 2004

AFP, Colombo

Sri Lanka sought Wednesday parliamentary approval to raise 3.31 billion dollars in domestic and foreign loans to bridge a budget deficit as it presented its revenue and expenditure estimates for 2004.

The Appropriation Bill tabled in the legislature showed government expenditure of 668 billion rupees (7.1 billion dollars) against revenues of 356 billion rupees (3.78 billion dollars).

The deficit of 312 billion rupees (3.31 billion dollars) is to be met with foreign and domestic loans.

Finance Minister K. N. Choksy is expected to announce revenue and expenditure proposals when he unveils the full budget on November 12, parliamentary officials said.

The government has said it is able to spend more money on welfare and development in 2004 because of an ongoing truce between troops and Tamil Tigers.

Iraq urges ROK to be patient on old bills

REUTERS, Seoul

An Iraqi interim minister said yesterday his country was mindful of the need to settle unpaid bills for foreign building contractors, but asked them to consider the country's devastated financial condition.

South Korea's top contractor, Hyundai Engineering and Construction Co Ltd, said this week it would file a lawsuit with a British court to collect 860 million dollar of unpaid bills owed by the Iraqi government.

"We recognise the need to consider that management of outstanding liabilities is necessary as an essential precondition to accessing additional financing from the private sector," Ali Alawi, the Iraqi Interim Minister of Trade, told reporters.

"But Iraq is starting from ground zero and its financial resources are very very low, as a result of various wars," he said on a visit to Seoul.

India poised for over 7pc growth in 03-04

REUTERS, New Delhi

The Indian economy, Asia's third largest, is expected to grow more than seven per cent in the year to March, 2004 on the back of good rains, a top finance ministry official said on Wednesday.

The strong growth projections come as Prime Minister Atal Behari Vajpayee and his Hindu nationalist Bharatiya Janata Party are gearing up for key state polls in December and national elections in 2004.

The Indian economy grew 5.7 per cent in the April-June quarter of fiscal 2003/04 and economists expect it to surge further with bumper crops forecast after the best monsoon in five years.

"If you have a bumper harvest and agricultural GDP goes up because of the forward and backward linkages, it is eminently possible, we are pushing above seven percent," Ashok Lahiri, adviser to the finance ministry, told a new conference.

The expected seven per cent figure will be the strongest full year growth in almost three years after the country's worst drought in 15 years dragged growth down to 4.3 per cent last year.



PHOTO: SCANCEMENT

HeidelbergCement Bangladesh Ltd General Manager (Marketing and Sales) KM Zahid Uddin speaks at the formal launching ceremony of a new type of cement -- Cem II (composite cement) -- in Dhaka yesterday. HeidelbergCement Bangladesh Managing Director Mark Van Kempen is also seen.

HeidelbergCement brings in composite cement

STAR BUSINESS REPORT

HeidelbergCement Bangladesh Ltd, a subsidiary of Germany-based Heidelberg Group, has come up with a new type of cement -- Cem II (composite cement) -- in Bangladesh market.

Cem II is a mixer of clinker, slag and limestone while the ordinary portland cement contains clinker and fly ash, said HeidelbergCement Bangladesh Ltd General Manager (Marketing and Sales) KM Zahid Uddin.

He was speaking at the formal

launching ceremony of the new cement held in Dhaka yesterday.

At present, almost all type of cement in Bangladesh is ordinary portland cement, he said. "HeidelbergCement Bangladesh has brought the new concept in Bangladesh three months ago."

Zahid Uddin said now the HeidelbergCement plants -- ScanCement and RubyCement -- are already producing cement according to the new concept.

Cem II has 15 to 20 per cent higher strength than ordinary port-

land cement, he said.

HeidelbergCement Bangladesh Ltd Managing Director Mark Van Kempen made a multimedia presentation on this new composite cement at the function.

Composite cement is better than ordinary portland cement as the new cement's main ingredient is slag made of steel burn, Kempen. "While the fly ash is made of coal burn."

In Europe, composite cement has the major market share, Kempen added.



PHOTO: FBCCI
Esko Kentrschynskij, head of European Commission (EC) delegation to Bangladesh, and Anne Marchal, second secretary of EC delegation, are seen at a meeting with Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Abdul Awal Mintoo held at FBCCI secretariat in Dhaka yesterday.