

NBR to audit 10,000 self-assessed tax returns

STAR BUSINESS REPORT

The National Board of Revenue (NBR) is going to launch a programme soon to audit 10,000 cases of self-assessed taxpayers for the current fiscal year across the country to see whether the assessments reflect real incomes or not, sources said.

The NBR has already prepared names of 6,500 self-assessed taxpayers of Dhaka and Chittagong. The NBR will finalise names of the remaining 3,500 taxpayers from other tax zones.

The NBR list contains names of doctors, lawyers, chartered accountants, contractors, businessmen and other professionals of Dhaka and Chittagong. About 80 doctors and 60 lawyers from Dhaka are on the list, sources added.

As per the NBR decision, the taxmen's observations on the audit will be duly forwarded to the taxpayers so that they can defend themselves.

So far, about 6.5 lakh tax returns have been filed in the current fiscal year and of those 1.4 lakh are self-

assessed tax returns.

Previously it was found that most of the professionals under self-assessment system do not show their exact incomes. Besides, taxpayers also complained about harassment by NBR auditors, even forcing them to bribe them at times.

To avoid such matters, the NBR in August last year decided to engage tax commissioners instead of inspectors for auditing and fixed a set of criteria to select self-assessment returns.

A three-member committee headed by tax commissioners of different tax zones was assigned to prepare a list of returns for auditing on the basis of the criteria and submit it to the board for final approval.

The NBR in a list of top taxpayers of seven professional groups last year showed that contractors are the highest taxpayers while real estate developers and buying houses are the lowest of all.

It also showed that some top developers and engineering firms paid no tax in 2003-04 fiscal and there was no name of certain devel-

opers on the list who are selling thousands of acres of land and hundreds of apartments.

Majority of the 101 listed developers showed zero tax with many showing losses in their books. Only 11 developers paid more than Tk 100,000 in tax. The Eastern Housing paid the highest Tk20 lakh in tax.

The doctors' community forms the general impression of high-income group. But only one-third of the top hundred doctors paid more than Tk 100,000 in tax. Last year, Dr Pran Gopal Dutta led the group paying Tk 4.18 lakh in tax, followed by Dr Mobin Khan (Tk 4.14 lakh) and Dr Akram Ullah (Tk 3.51 lakh).

The scenario is not good either in the garment sector as tax paid by buying houses remained poor. Out of 87 listed buying houses, only 16 paid over Tk 100,000 in tax.

Contractors topped the list with National Development Eng Ltd paying Tk 1.34 crore in tax followed by Al-Amin Construction with Tk 1 crore.

Ctg int'l trade fair begins Feb 22

STAFF CORRESPONDENT, Ctg

The 13th Chittagong international trade fair will kick off at Railway Pologround in Chittagong on February 22.

Chittagong Chamber of Commerce and Industry (CCI) is organising the event, Chittagong International Trade Fair (CITF) 2005. Thailand is the partner country of the fair for the third year in a row.

Commerce Minister Altaf Hossain Choudhury is expected to inaugurate the fair while Foreign Minister M Morshed Khan will be present as the chief guest.

Enterprises from Bangladesh, the United States, Canada, Russia, Hong Kong, Singapore, Iran, Pakistan, China, Pakistan and India are expected to take part in the event.

CCI sources said high-profile trade and investment teams from India, Pakistan and Thailand will also visit the fair to explore investment prospects in Bangladesh.

Organisers said Thai and China pavilions in the exposition will attract huge crowd. The Thai pavilion, which is four times larger than the previous one, will be set up as a 'Mini Thailand'. The Chinese pavilion will be known as 'China Town'.

Chamber officials said strict security measures will be taken up for the participants and visitors.

Separate zone to make raw materials for drugs on cards

PM inaugurates Asia Pharma Expo-2005

BSS, Dhaka

Prime Minister Khaleda Zia yesterday expressed her firm optimism about the future of the country's pharmaceutical industry in the new world trade regime and said the government considers setting up a separate industrial park for production of raw materials for pharma companies.

"Globalisation has opened the door of new possibilities for our pharmaceutical industry. As a member of LDC (least developed country) group, Bangladesh will be able to produce and sell patent drugs until 2016. This opportunity must be utilised fully," she said while inaugurating the four-day 'Asia Pharma Expo-2005' at Bangladesh-China Friendship Conference Centre in Dhaka.

Setting up of a separate quality control laboratory to ensure unhindered export of pharmaceutical

products is under consideration of the government, she said and directed the ministry concerned to take necessary steps to this end.

She also directed the authorities concerned to form an inter-ministerial taskforce to check counterfeit, adulteration and low standard of medicines.

Health and Family Welfare Minister Khandaker Mosharraf Hossain and State Minister for Health Mizanur Rahman Sinha also addressed the opening ceremony chaired by Bangladesh Association of Pharmaceutical Industries (BAPI) President SM Shafiuazzaman.

BAPI Secretary General Nazmul Hassan presented a keynote paper on "Bangladesh Pharmaceutical Industries and Post-WTO Opportunities".

A total of 252 pharmaceutical firms from 20 countries, including the UK, USA, Germany, Japan, Italy, China, Vietnam and host

Bangladesh are taking part in the exhibition, second of its kind in Dhaka. Besides pharmaceutical products, packaging machinery and pharmaceutical services are also on display in the exposition.

Aimed at technological advancement of the country's pharmaceutical industries and expanding export market of Bangladesh pharmaceutical products, the fair also includes technical seminars.

Organised by BAPI, the fair will remain open to public from 10 am to 5 pm until February 18.

BAPI President SM Shafiuazzaman urged the prime minister to ban hartal by enacting necessary legislation.

He lamented that the BAPI's request to relax Tuesday's general strike for a few hours to facilitate the inauguration of the international exposition was turned down.

Sylhet int'l trade fair to begin Feb 25

UNB, Sylhet

A month-long international trade fair will begin at Sylhet Government MC College ground on February 25.

Sylhet Chamber of Commerce and Industries will organise the event for promoting, expanding and marketing of the goods of local and foreign companies.

Four different categories of pavilion named education valley, IT valley, mobile valley and real estate valley, will be set up.

Chamber sources said special security arrangements will be taken for the visitors during the month-long fair.

WTO chief says trade talks must get touch soon

REUTERS, Geneva

World Trade Organisation (WTO) states must get down to hard bargaining immediately if a 2006 target for a free trade pact is to be met, the organisation's chief said Monday.

"Participants must get down to real negotiations in all areas, meaning real give and take, and they must do this now," WTO chief Supachai Panitchpakdi told a meeting on the organisation's Trade Negotiating Committee (TNC).

Negotiators appeared to agree that a detailed blueprint in the key areas of farm and industrial goods trade, with significant advances also in negotiations on services and in other issues, must emerge from next December's ministerial meeting in Hong Kong, he said.

But for the Hong Kong meeting to succeed, the negotiations on lowering global barriers to commerce would have to make significant progress in Geneva by the time the WTO closed for its summer break at the end of July.

"By July, we must be able to judge across the board whether we are on course for a significant outcome in Hong Kong," he said, which in turn meant some "first approximations" emerging from the various negotiating groups by early that month.

The TNC, the umbrella group which oversees the various WTO negotiating bodies, was meeting to hammer out a programme of work for 2005.

The WTO's Doha Round, launched in the Qatar capital in late 2001 to give a boost to the world economy, should have been wrapped up by the end of 2004.

But deep differences between rich and poor, particularly over agriculture, hampered progress in the early years. However, diplomats say that 2006 appears a more realistic deadline.

Panitchpakdi said that in Hong Kong, members must agree on specific targets for slashing subsidies and opening up markets for agriculture and industrial goods.

ROK freezes interest rates as expected

REUTERS, Seoul

South Korea kept interest rates unchanged at a record low of 3.25 percent for the third consecutive month on Tuesday amid tentative signs of a pickup in domestic demand.

The Bank of Korea left the overnight call rate target steady after cutting rates by a quarter of a percentage point in August and again in November.

"Recent economic data is showing that consumer demand is showing some signs of a recovery, and that constrained the BOK's ability to cut rates," Kim Sung-ki, a fund manager at Chohung Investment Trust Management.

"The question now is whether the BOK cuts rates at all this year. The market is turning to the position that it won't, and that the economic fundamentals will improve as the year progresses, making a cut unnecessary."

While some economists said it was too early to say a recovery in local consumption was just around the corner, the finance minister and central bank governor both pointed to recent data as signs a two-year slump in demand may be nearing an end.

Government data showed on Monday South Korean spending on credit cards rose 14.8 percent in the year through January. But the rise was mainly due to more working days last month than in January 2004 because of the timing of the Lunar New Year.

The central bank has cut rates four times since the middle of 2003.

Macroeconomic situation by and large stable

Saifur tells dialogue in Brussels

UNB, Dhaka

Finance and Planning Minister M Saifur Rahman has said the current macroeconomic situation in Bangladesh is, by and large, stable and the foreign exchange reserves have also remained steady.

"The stable macroeconomic situation is an outcome of a mixture of prudent monetary and fiscal policies that are being pursued," said the finance minister in a policy dialogue in Brussels, Belgium on Monday, according to a message received here yesterday.

Bangladesh Embassy in Brussels, which is concurrently accredited to European Communities, organised the dialogue - Bangladesh: Options and Opportunities on the State of Bangladesh's Relations with the EU and Future Prospects.

Syed Maudud Ali, ambassador and permanent representative of Bangladesh to the European Communities, moderated the policy dialogue. Key functionaries from the European Commission, European think tanks and other stakeholders participated in the dialogue.

Intensive discussion took place in the dialogue on policy issues concerning bilateral development cooperation and trade, including good governance, public sector reforms, civil order, justice and human rights.

The finance minister said low external current account deficit reflects the continued high growth of exports, increased flows of remit-

tances, moderate growth in money supply as well as that of imports.

Presenting a vision of Bangladesh at the start of a new century that will lead the country to waves of change, the finance minister pointed out that Bangladesh was a developing democratic polity on the Westminster model, a predominantly Muslim country but neither a fundamentalist nor a theocracy. It has been exerting a moderate influence on a consistently volatile and often mutually hostile South Asia, he said.

Embassy sources said the minister's views were appreciated by the participants who agreed that with consistent support from the development partners, the country would prosper.

Putting emphasis on strengthening bilateral cooperation in newer fields, the participants were of the view that the country's progress needs to be assessed in proper perspective, particularly in view of propaganda campaigns against the country.

They agreed there was an urgent and critical need to improve Bangladesh state machinery for projecting and creating an awareness in the outside world about the tremendous progress made on micro and macro-economic factors and in areas of good governance.

The finance minister reached Brussels on Sunday on a three-day official mission to the EC and European Parliament to promote bilateral development as well as trade relations and to uphold the country's political image in Europe.

This is the first official interface between the Bangladesh government and 25-member new European Commission that took office in November 2004.

SAIFUR MEETS EUROPEAN TRADE COMMISSIONER

Saifur also held officials talks with Peter Mandelson, European Commissioner for Trade at the EC headquarters.

He thanked him for the commission's support for which Europe is now the biggest trade destination from Bangladesh with export standing at 4,301 million in 2004.

The minister drew attention to the difficult period of adjustment for Bangladesh in post-MFA period and hoped that the Generalised System of Preference (GSP) scheme would be continued and indeed the terms revised to allow Bangladesh to better utilise its opportunity.

Mandelson was keenly interested in the finance minister's portrayal of the difficulties and opportunities of Bangladesh.

He assured that Bangladesh's broader interest would be in his mind and while the EC formulates policy the European market would be kept open for Bangladesh.

Saifur flew to Brussels from Jeddah, where he signed a \$60 million loan agreement with the Islamic Development Bank (IDB) for the submarine cable project to connect Bangladesh to the information superhighway.

Pakistan's CPI inflation rises

REUTERS, Karachi

Pakistan's consumer price index rose 8.51 percent in the year through January, up from 7.37 percent in December, and the rising trend could push the central bank to increase the pace of monetary tightening, analysts said.

The State Bank of Pakistan has been increasing Treasury bill yields over the past few months and indicated last month that it would tighten more rapidly to fight inflation.

The government set a CPI inflation target of 5.0 percent for the year ending June 30, but has said it would overshoot due to high world oil prices and surge in food and real estate prices. For the fifth consecutive month, food prices and housing costs were the main factors in the annual CPI increase.

The food and beverage component rose 8.51 percent in January compared with January 2004, while the house rents component grew by 12.03 percent.

"This provides further reasons for an increase in the pace of tightening being carried out by the central bank," said Asif Qureshi, research head at AMS Brokerage.

"The increase in house rents shows that core inflation is also not coming down at a pace that the government would like," he said.

Qureshi said that full-year inflation through June was likely to end at over 8.0 percent.

Mohammed Sohail of Jahangir Siddiqui Capital Markets said he expected rates on T-bills to rise by 30-40 basis points at each central bank auction.

S&P to bid for majority stake in India's CRISIL

REUTERS, Bombay

Global rating agency Standard & Poor's said it would make a 2.4 billion rupees (\$54.9 million) bid to acquire a majority stake in India's CRISIL Ltd. to expand its coverage of Asia's fourth-largest economy.

India has seen a strong demand for credit from companies as they expand capacity in an economy that is expected to grow by nearly 7 percent this financial year.

Rating agency CRISIL has upgraded some 348 firms this year on the back of improved financial performance and strong earnings, and debt issuance by Indian corporate is also expected to rise in the coming months.

S&P, which owns 9.48 per cent of CRISIL, will make an open offer to buy up to 3.53 million shares at 680 rupees each - a premium of 20 per cent over the closing price of 566.90 rupees at the Bombay exchange on Monday.

The acquisition will take S&P's holding to as much as 65 percent. CRISIL shares jumped the maximum permissible 20 percent to a near five-year high of 680.25 rupees in opening deals on Tuesday.

The offer is conditional on getting at least 2.64 million shares, McGraw-Hill Companies, on behalf of its S&P's division, said in a statement issued in New York on Monday.



PHOTO: ICC-B

International Chamber of Commerce-Bangladesh (ICC-B) President Mahbubur Rahman hands over a cheque for Tk 5 lakh to Indonesian envoy to Bangladesh Warmas Hasan Saputra at the embassy in Dhaka yesterday. Some local and multinational companies in Bangladesh have contributed to a fund as a token of solidarity with the tsunami affected people of Indonesia. ICC-B vice presidents Samson H. Chowdhury and Latifur Rahman and Secretary Ataur Rahman are also seen.

ICC, global bodies set up fund to help tsunami-hit SMEs

STAR BUSINESS REPORT

International Chamber of Commerce (ICC), World Chambers Federation and World Chambers Network have set up a Reconstructing Small Businesses Fund (RSBF) to help small and medium enterprises (SMEs) affected by the tsunami.

ICC-Bangladesh President Mahbubur Rahman announced this while meeting Indonesian Ambassador to Bangladesh Warmas Hasan Saputra at the embassy in Dhaka yesterday.

The ICC-B president handed over a cheque for Tk 5 lakh to the envoy as a token of solidarity with the tsunami affected people of

Indonesia, according to a press statement.

The companies that contributed to the fund are Transcom Group, Square Group, Newage Group, Duncan Brothers, KAFCO, IFIC Bank, EXIM Bank, Janata Bank, State Bank of India, Eastland Insurance, Sunflower Life Insurance, The Merchants, National Housing, Airling Group, BASF, Dr. M. Zahir and Associates, Huq and Company, Nestle, UAE Bangladesh Investment Co. and Aventus Pharmaceuticals.

Mahbubur Rahman hoped that the affected areas will recover soon from the unprecedented catastrophe and the effort of Bangladesh business community will be of some

help for the brotherly people of Indonesia.

"They need programmes that will go beyond the issue of not replicating slums and address the challenges of poverty and of reconstruction," said Mahbubur Rahman.

ICC-B Vice-presidents Latifur Rahman and Samson H. Chowdhury were present at the meeting. ICC-B Secretary Ataur Rahman also attended the meeting.

The Indonesian ambassador thanked ICC-B for supporting the tsunami effected people of Indonesia. He said the government of Indonesia has taken massive reconstruction programmes with the help of the international community.

India proposes pan-Asian natural gas grid

Bid to connect region's major buyers and producers

PALLAB BHATTACHARYA, New Delhi

India has proposed a pan-Asian natural gas grid to connect major buyers and producers in the region to tap its hydrocarbon reserves and promote investment in infrastructure.

Addressing the third Asia Gas Buyers' summit here on Monday, Indian Petroleum Minister Mani Shankar Aiyar said "We must think of an Asian gas grid. In Asia, we have the possibility of linking each other not only through trade and investment but also by a gas pipeline network, which has immense potential."

He said Asia has 55 percent of the world's natural gas reserves and the region also has the greatest demand with major consumers like

India, South Korea, China and Japan.

Aiyar suggested a pan-Asian dialogue for accessing natural gas supplies from Iran in the West and Myanmar in the East and Central Asia in the North.

"The proposed India-Iran gas pipeline can be pulled through to upper Burma to link the Iranian gas to Southern China," he said and described it as a "win-win situation" as all concerned countries can earn transit fees and China can get gas at a price much cheaper than liquefied natural gas transported by ships.

Pitching in strongly for three trans-national pipelines -- Indo-Iran via Pakistan, Indo-Myanmar via Bangladesh and Indo-Turkmenistan through Afghanistan-- he said there could be energy security without

these proposed projects.

"We need to convert this relationship between buyers and sellers into a community of partners to have a common approach to development of gas to enable the countries in Asia to reap optimal gains, ensure energy security in the region and end the wretched Western dominance," he said.

"We need to give up confrontational approach and create a pan-Asian forum on the lines of EU or Organization of African Unity and leverage the power of offshore and onshore gas for the benefit of Asia," the Indian petroleum minister said.

Natural gas consumption in India and China is projected to grow at more than 5 percent backed by a consistently robust growth of GDP in the two Asian giants.

China clears 4 mainland banks for Taiwan operations

AFP, Beijing

Mainland Chinese authorities have cleared four state-owned banks to set up offices in Taiwan and are awaiting the final go ahead from the island's regulators, state press reported Tuesday.

The four lenders are Shanghai Pudong Development Bank, China Merchants Bank, the Fujian-based Industrial Bank, and the Industrial Commercial Bank of China (Asia), a Hong Kong unit of the Industrial and Commercial Bank of China, the mainland's largest lender, the China News Service reported.

Taiwan has yet to grant permission to mainland banks to set up branches or representative offices on its territory, the report said.

Several Taiwan banks, however, have already gained permission to set up representative offices on the mainland though none has a full branch license.

Taiwan authorities would prefer to allow the mainland's bigger banks to start operations on the island before it permits smaller financial institutions to conduct business there, the report said.

CURRENCY						
Following is Tuesday's (February 15, 2005) forex trading statement by Standard Chartered Bank.						
Sell			Buy			
TT/OD	BC	Currency	TT Clean	OD Slight Doc	OD Transfer	
63.6500	63.7000	USD	62.3550	62.1718	62.0974	
83.2924	83.3578	EUR	80.0701	79.8349	79.7393	
120.8459	120.9408	GBP	116.8720	116.5287	116.3892	
50.6909	50.7307	AUD	48.1318	47.9904	47.9330	
0.6135	0.6140	JPY	0.5881	0.5864	0.5857	
53.7448	53.7870	CHF	51.5118	51.3605	51.2890	
9.4962	9.5036	SEK	8.4244	8.3997	8.3896	
52.0059	52.0467	CAD	49.9800	49.8332	49.7735	
8.1687	8.1752	HKD	7.9863	7.9629	7.9534	
38.9201	38.9507	SGD	37.7817	37.6708	37.6257	
17.4733	17.4870	AED	16.8422	16.7928	16.7727	
17.1084	17.1218	SAR	16.4960	16.4476	16.4279	
11.5852	11.5943	DKK	10.4079	10.3774	10.3649	
218.6534	218.8251	KWD	205.8600	205.2554	205.0097	
Exchange rates of some currencies against US dollar						
Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kronner	NZ dollar	Malaysian ringgit
43.67	59.405	99.315	38.440	6.4799	0.7641	3.80
Local Interbank FX Trading						
Local interbank FX market was active on Tuesday. Dollar continued to rise against Bangladeshi taka on back of higher import demand and profit remittances.						
Local Money Market						
Money market was active. Call money rate remained almost unchanged and ranged between 6.00 and 8.00 percent compared with 6.00-10.00 percent previously.						
International Market						
The dollar recovered on Tuesday from the previous day's losses but trading was subdued as market participants braced capital flows data which will show how the US is funding its current account deficit. With the dollar at a crossroads after hitting 3-month highs against both the euro and the yen, the market is focusing on fundamental and structural issues for clues to its future direction. This could come in the form of monthly data from the Treasury International Capital System due at 1400 GMT and congressional testimony by Alan Greenspan on Wednesday and Thursday.						